



Federal Ministry  
for Economic Cooperation  
and Development



*Development Policy  
as Future-Oriented  
Peace Policy*

*The German Government's  
15th Development Policy  
Report*



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15<sup>th</sup> Development Policy  
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Preface

**DEAR READER,**

We live in a dynamic and exciting time in world history. Our planet is more than four billion years old, and yet migration out of Africa began only four million years ago. If world history spanned a single day, we humans would have been present on the planet for just two minutes.

But in this brief time, we have dramatically changed our Earth. Every day, the global population increases by 230,000 – that's 80 million people a year. Weights are shifting: Europe is stagnating, Asia is growing and the African population is set to double by 2050. A German born in 1950 will have witnessed a threefold increase in the global population, a fivefold growth in carbon emissions, and a 200-fold surge in world trade.

For the international community, the question is whether we will manage the transition to a sustainable and responsible lifestyle and economy. Only then can we find solutions to challenges such as hunger and malnutrition, the protection of our climate and environment, education and equality, peace and justice, but also migration and displacement. The alternative scenario is simply "business as usual". However, that would make us the first generation in our planet's history to drive it to the brink of the

abyss, for our Earth's resources are finite. If our Western consumption patterns and economy were to become the growth model for all the world's people, humankind would now need two or three planets, not one.

So we need to think about development policy in new dimensions. Sustainable development is a cross-cutting task for all policy fields – from economic and trade policy to environmental, agricultural, foreign and security policy. We can only devise solutions to the major challenges we face if we find a new way of working together at the global level. With its adoption of the 2030 Agenda in New York in 2015, the international community endorsed a new set of Sustainable Development Goals as a "new pact on the world's future". In Paris, it achieved a breakthrough with a future-oriented climate agreement. These are major political successes which provide a roadmap for the way ahead. Now, resolute action is needed to translate these principles into practice. We are, after all, the first generation to have the scope to achieve a world without hunger – a world which narrows, not widens, the divide between rich and poor.

In Germany, development policy is gaining in significance to an unprecedented degree. Together with a highly committed civil society and other German and international development partners, major successes have been achieved. The number of people suffering poverty and hunger has been cut by more than half in the past 15 years. Around 90% of children in developing countries are now in school. And effective campaigns have been waged against diseases such as HIV, tuberculosis and malaria. Polio is close to being eradicated.





- Despite these achievements, however, there are still immense challenges ahead:
- 800 million of the world's people still suffer hunger and malnutrition.
- 700 million people still live in absolute poverty.
- Climate change, environmental degradation and biodiversity loss are continuing.
- In 2014, the number of fatalities from war and conflict was the highest for 20 years.
- There are now more forcibly displaced people worldwide than ever before.

Germany is addressing these global challenges. In this legislative term, we have substantially increased the development budget. With the Partnership with Africa, the German Government – not only during its G20 Presidency – is making the continent a special priority, and I am pleased to contribute my proposals for a Marshall Plan with Africa to this discussion. Here too, development cooperation is guided by the principle of incentives and demands. However, we cannot be satisfied with the progress so far achieved on the African continent. The African countries – and, indeed, our other partner countries – must take on more ownership and map their own path into the future. As they do so, we must move away from the donor-recipient model towards a fair partnership.

Implementing the 0.7% ODA target is an imperative, as are new mechanisms to promote private investment and fair trade relations with the developing countries. We must shape globalisation equitably. Our consumption and production patterns must become sustainable. Wealth must be generated and retained at the local level in the developing countries, and compliance with minimum social and environmental standards must be recognised as a fundamental prerequisite in global value chains.



More sustainable investment is needed in education and training and in agricultural development. We are committed to respect for human rights and to the inviolability and universality of human dignity. Every person has the right to a life in dignity – and every country must fulfil its responsibility here.

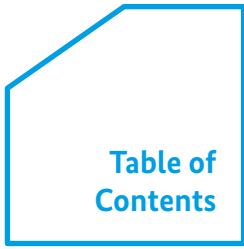
↑ Minister Gerd Müller  
visiting an agricultural  
academy in Rukka, India

The task now is to establish a new partnership based on responsibility and to work together for change. The European Union must play a much greater role in this context. There is still scope to improve donor cooperation and the efficiency of development measures. The German Government's 15<sup>th</sup> Development Policy Report demonstrates the impressive breadth and diversity of our engagement. Particular thanks are due to civil society for its high level of commitment and to our many outstanding partner and implementing organisations, the thousands of local experts and, not least, our partners in 85 countries of the world. Together, we will continue to assume responsibility for achieving a life in dignity for all the world's people, for equitable and peaceful relations and for the preservation of the Earth's natural resources for future generations.

A handwritten signature in black ink, appearing to read 'Gerd Müller', written in a cursive style.

Dr Gerd Müller, MdB

Federal Minister for Economic Cooperation  
and Development




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*Development Policy  
2030 – World in  
Transition:  
Why we need  
more “policies for  
development”*

**1**

- 1.1 Humankind's Future Challenges: Where are we today? – Implementing the 2030 Agenda for Sustainable Development: the baseline*
- 1.2 The 2030 Agenda for Sustainable Development as a frame of reference and “Pact on the World's Future”: sustainable development as a cross-cutting task for all policy fields*
- 1.3 Our World in 2030 – Five Roadmaps for Global Sustainable Development*



## HUMANKIND'S FUTURE CHALLENGES: WHERE ARE WE TODAY? – IMPLEMENTING THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT: THE BASELINE

### LIGHT AND SHADE IN DEVELOPMENT OVER THE PAST 25 YEARS



The World Bank defines **absolute poverty** as living on less than USD 1.90 per day. The USD 1.90 poverty threshold is the minimum level of income that a person requires for survival. In 2015, the World Bank's definition of extreme poverty was revised to living on less than USD 1.90 per day (from USD 1.25 per day) at 2011 purchasing power parity.

#### MAJOR SUCCESSES

In the past 25 years, the economic **situation has improved considerably for many developing countries and emerging economies** and for many of the world's people. According to the World Bank, the number of people living on less than USD 1.90 a day fell from 1.85 billion in 1990 to around 767 million in 2013. <sup>(1)</sup> In sub-Saharan Africa, the number of people living in **absolute poverty** decreased from 56 % of the population in 1990 to 43 % in 2012. <sup>(2)</sup> The number of people living in countries with low levels of human development fell from 3.2 billion in 1990 to just 1.2 billion in 2014. <sup>(3)</sup>

Development policy has played a role in enabling developing countries to share in the benefits of global growth over recent decades and in mitigating the negative effects of globalisation. The Millennium Declaration with its eight **Millennium Development Goals (MDGs)**, adopted by the international community in 2000, has helped to focus political attention on development challenges. As a result, major progress has been made on reducing poverty, facilitating access to education, especially for girls, lowering child mortality, combating HIV/AIDS, malaria and other serious diseases, and improving access to safe water.

These trends are accompanied by a massive **shift in weight in the world economy**. In 1990, 80 % of the global middle class <sup>(4)</sup> lived in OECD states; only 20 % lived in the developing countries and emerging economies. However, this ratio will have reversed by 2030. The Asia-Pacific Region will host the major share, with a middle class of 3.2 billion people, and will record the highest rate of growth. <sup>(5,6)</sup>

In addition to the positive economic and social developments achieved since the end of the Cold War, gratifying progress has been made on governance. The number of countries with democratic governments has risen dramatically; 30 % of all countries were deemed "not free" in 1990, but by 2016, the number of countries under authoritarian rule had fallen to 26%. <sup>(7)</sup>

This positive economic trend in many developing countries and emerging economies was made possible, to a large extent, by **progressive globalisation and digitalisation**. Global trade in goods and services, the industrialisation of supply chains and the increasing availability of knowledge and technologies via modern communications are key drivers of economic and social development.

(1) WORLD BANK (2016a).

(2) WORLD BANK (2016b).

(3) Classification of countries according to the Human Development Index (HDI); UNDP (2015).

(4) Defined by KHARAS and GERTZ (2010) as individuals with spending power of USD 10–100 a day (PPP).

(5) Increasing from 1.74 billion people in 2020 to 3.23 billion in 2030.

(6) KHARAS and Gertz (2010).

(7) FREEDOM HOUSE (2016).





MILLENNIUM DEVELOPMENT GOALS: WHAT WAS ACHIEVED?



**Figure 1**

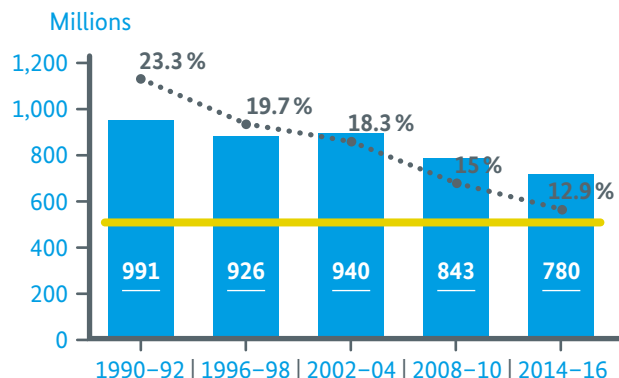
Despite major progress in many areas, a number of the MDGs were still unmet in 2015.

(Yellow line represents MDG target.) *Source: UN DESA (2015a); UNICEF (2017a); UNICEF (2017b); WHO (2015); WHO (2016c).*

**GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER**

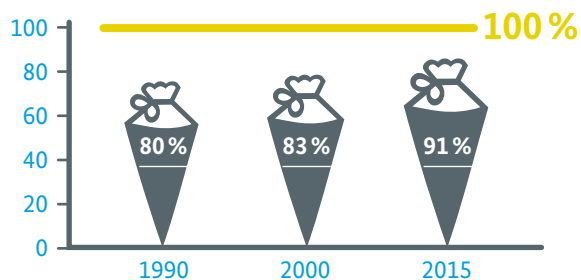


Percentage of the global population living on less than USD 1.25 a day

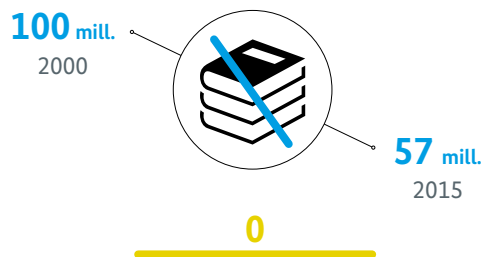


Proportion of undernourished people in the developing regions

**GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION**

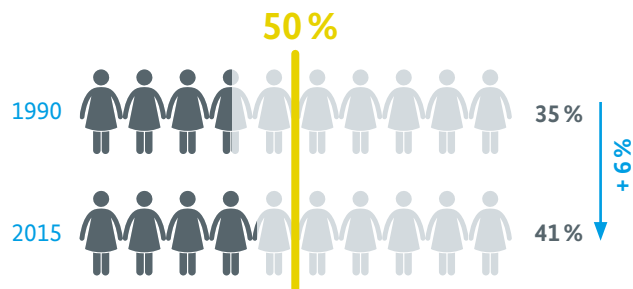


Primary school net enrolment rate in the developing regions

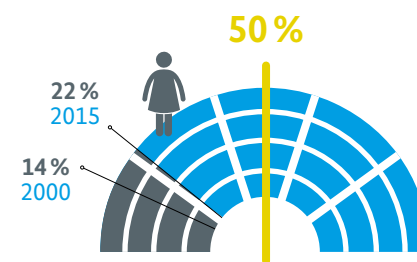


Global out-of-school children of primary age (in millions)

**GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN**

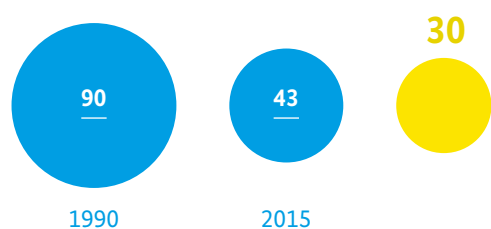


Proportion of women in the paid workforce outside the agricultural sector

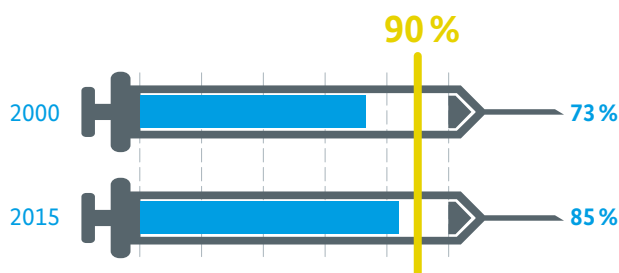


Average percentage of women in Parliament (unicameral/lower house)

**GOAL 4: REDUCE CHILD MORTALITY**

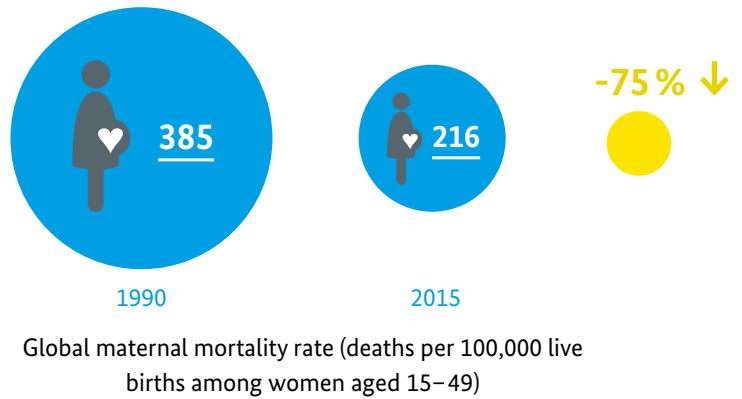
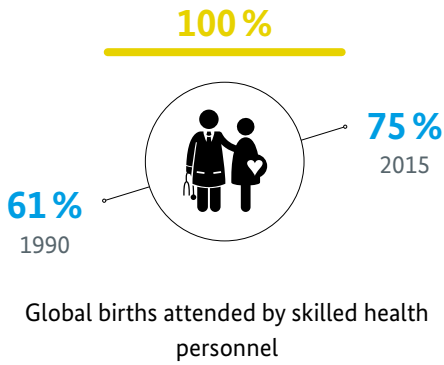


Global under-five mortality rate (per 1,000 live births)

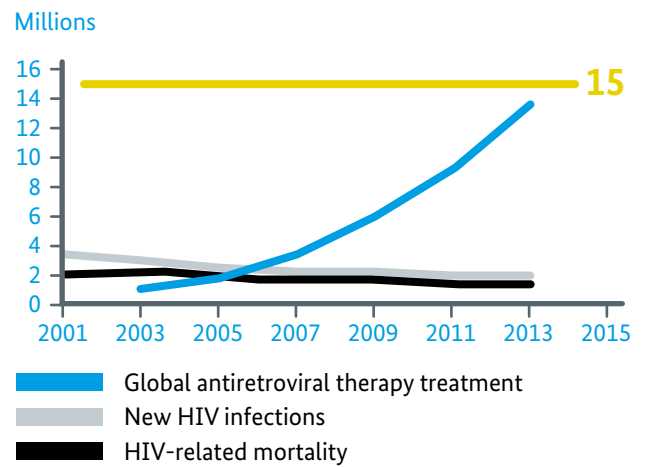
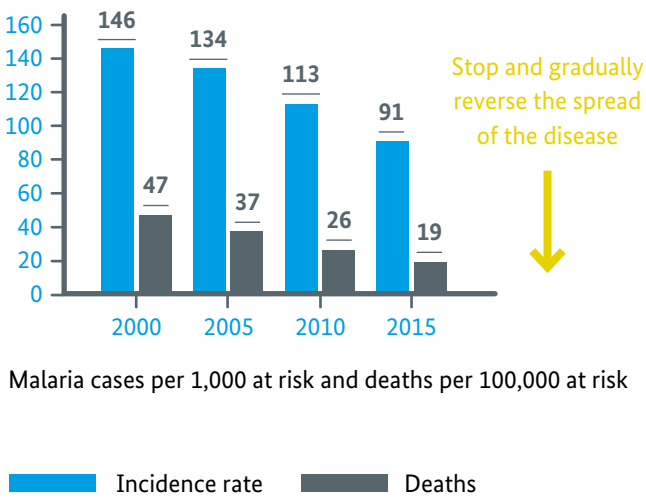


Global measles vaccine coverage

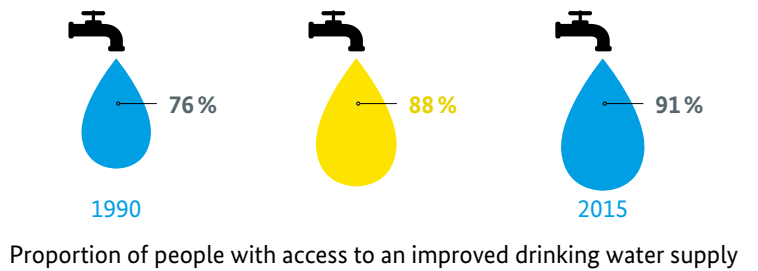
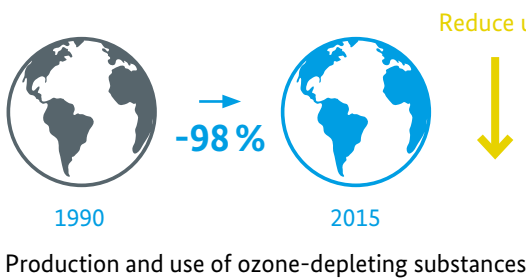
**GOAL 5: IMPROVE MATERNAL HEALTH**



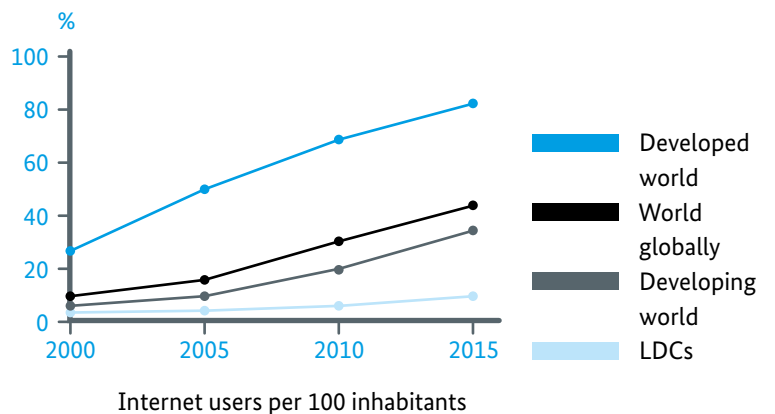
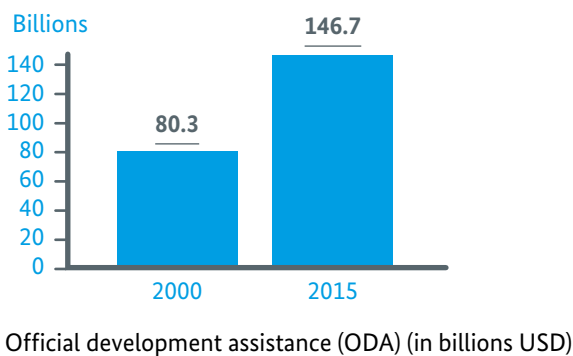
**GOAL 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES**



**GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY**



**GOAL 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT**



## UNSOLVED AND NEW PROBLEMS

Due to the rapid surge in many countries' economic performance, substantial progress has been made on human development and human security. Nevertheless, other development problems remain unsolved or have worsened, and new challenges have arisen.



### Least Developed Countries (LDCs):

The term applied by the United Nations to a group of, currently, 48 countries, 34 of them in Africa. Specific indicators relating to socioeconomic development and average income are used to classify countries as LDCs.

**Development progress is still particularly slow and constrained in the world's poorest and Least Developed Countries (LDCs).** The number of Least Developed Countries (LDCs) has remained almost unchanged for 24 years, with 47 countries in this category in 1991<sup>(8)</sup> and 48 in 2015<sup>(9)</sup>. There are still an estimated 1.1 million deaths from HIV/AIDS<sup>(10)</sup> each year, more than 260 million children are out of school<sup>(11)</sup> and children in sub-Saharan Africa are more than 14 times more likely to die before the age of five than children in developed countries<sup>(12)</sup>. Furthermore, in many regions, epidemics such as Ebola threaten to reverse the development progress already achieved.

**Fragility** is a further threat to sustainable development. For example, as a group, the fragile states have trailed a long way behind other developing countries in reaching the Millennium

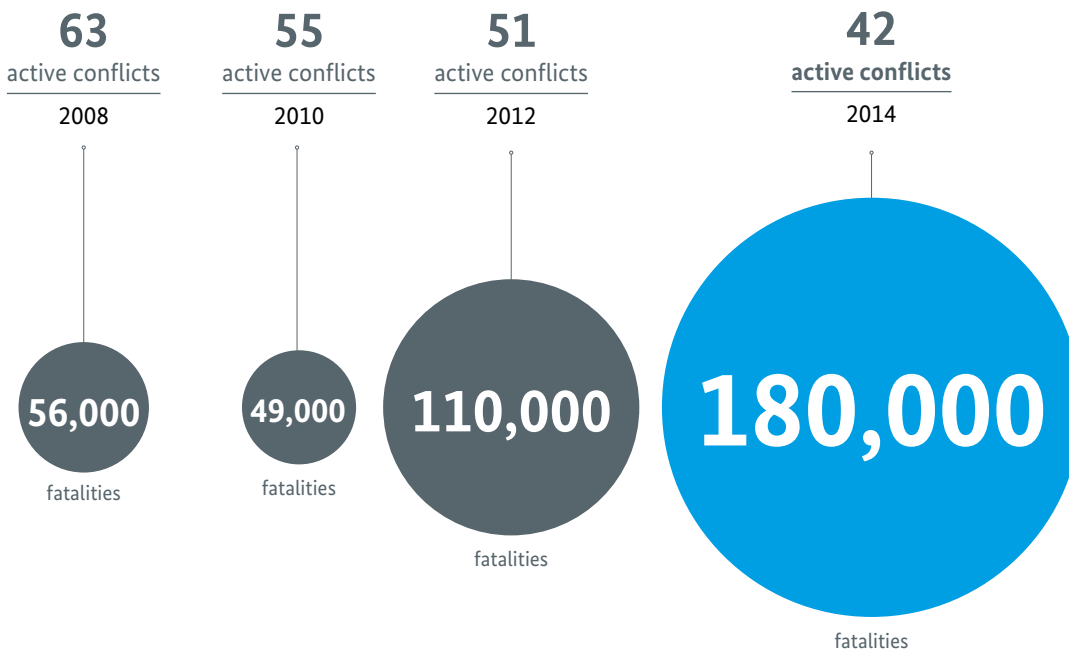
Development Goals (MDGs): by far the majority of states currently considered fragile failed to meet the goal of halving poverty by the end of 2015. This trend seems set to continue. State structures are collapsing in many countries. According to the Bertelsmann Transformation Index (BTI) 2016, in 24 countries (out of 129 studied), the governments do not hold a monopoly on the use of force throughout the territory; in a further 57 countries, the monopoly on the use of force exists in principle but is contested by insurgents and similar groups.<sup>(13)</sup> Without more investment in peacebuilding and statebuilding, the fragile states may well be home to almost two-thirds of people living in extreme poverty by 2030.<sup>(14)</sup>

### MORE VICTIMS OF VIOLENCE, AN INCREASE IN GOVERNMENT REPRESSION

Although the number of armed conflicts has fallen overall since the end of the Cold War, the world saw a **higher number of conflict-related fatalities** in 2014 than in any other year **since the Rwandan genocide in 1994**. The number of people who are forcibly displaced worldwide has now risen to more than 65 million.<sup>(15)</sup>



## NUMBER OF ACTIVE CONFLICTS AND FATALITIES

**Figure 2**

In 2014, more than 180,000 people died in armed conflicts worldwide – more than in any other year since the Rwandan genocide in 1994.

Source: IISS (2015), UCDP (2015).

The large number of intra-state conflicts shows that the social contract no longer functions in many regions: state and society have lost confidence in peaceful, constructive and inclusive decision-making and development.

From a European perspective, developments in the Middle East and North Africa (MENA) are particularly significant. The hopes that political liberalisation would result from the Arab Spring were followed by a resurgence of authoritarian government and by social fragmentation, wars and Islamist terror. The number of conflict-related fatalities in this region has risen dramatically since 2010. Refugee crises within the MENA region itself and refugee movements to Europe are the result.

The lessons of the Arab Spring show that social and political problems such as **inequality and human rights abuses** are key causes of conflict and fragility. They must be tackled more energetically if fragile statehood is to be curbed sustainably and countries stabilised on a permanent basis – for the reality is that fragile and failing states not only pose a growing security threat to entire regions but also provide fertile ground for global terrorist networks and organised crime. Wherever poverty and violence intersect, it is particularly difficult to support and

safeguard human development and observance of human rights for the long term.

Even in countries where there are no open conflicts, development progress is, in many cases, increasingly under threat from **authoritarian trends**. The Bertelsmann Transformation Index 2016 provides evidence of an alarming new level of repression in authoritarian states and of visible backsliding in countries under democratic governance, not least in relation to the freedom to organise, freedom of assembly and free speech, the separation of powers, and civil rights. In many countries where progress towards democracy had been achieved since the 1990s, the threat of a reversion to old structures can currently be observed, with massive obstruction of the work of non-governmental organisations, press censorship and the erosion of democratic institutions.

(8) UNESCO (1992).

(9) UN DESA (2015b).

(10) WHO (2016a).

(11) UNESCO (2016).

(12) WHO (2016b).

(13) BERTELSMANN STIFTUNG (2016).

(14) OECD (2015).

(15) Broken down as follows: 21.3 million refugees, 40.8 million internally displaced persons and 3.2 million asylum-seekers; UNHCR (2016).

**WIDENING INEQUALITY DESPITE ECONOMIC GROWTH**

The strong economic growth achieved in recent decades has helped to lift more than one billion people out of extreme poverty since 1990.

**Inequality between countries** has narrowed slightly since 2002, partly as a result of economic growth in the populous newly industrialising countries, particularly China.<sup>(16)</sup> However, if absolute income inequality among countries is considered without weighting by population size, it is clear that the income gap between rich and poor countries has widened overall. The absolute gap in mean per capita income<sup>(17)</sup> between **high-income countries (HICs)** and **low-income countries (LICs)** increased from around USD 28,000 in 1990 to more than USD 40,000 in 2015. The absolute gap between incomes per capita of low- and **middle-income countries (MICs)** more than doubled from around USD 3,300 to USD 8,600 over the same period.<sup>(18)</sup>

Inequality **within countries** has increased over the past 25 years. In 2015, 75 % of people in developing countries were living in societies where income was more unequally distributed than it was in 1990.<sup>(19)</sup> As regards global wealth distribution,<sup>(20)</sup> in 2016, the poorest 73% of the world population held around 2.4 % of global wealth. The world's wealthiest individuals, or 0.7 % of the global adult population, owned 45.6 % of global wealth. Net worth<sup>(21)</sup> of just USD 71,600 secured a place in the top 10 % in 2016. In addition to its potentially adverse impacts on social cohesion, **high inequality** can dampen down economic performance.



As defined by the World Bank, **high-income countries** are those with a GNI per capita of USD 12,476 or more; **middle-income countries** are those with a GNI per capita between USD 1,026 and USD 12,475; and **low-income countries** are those with a GNI per capita of USD 1,025 or less.



**GLOBAL WEALTH DISTRIBUTION**

**Figure 3:**

There is extreme inequality in wealth distribution: 0.7 % of the world's adult population owns more than 45 % of global wealth, with the poorest 73 % owning just 2.4 %.

Source: DAVIES, LLUBERAS and SHORROCKS (2016).





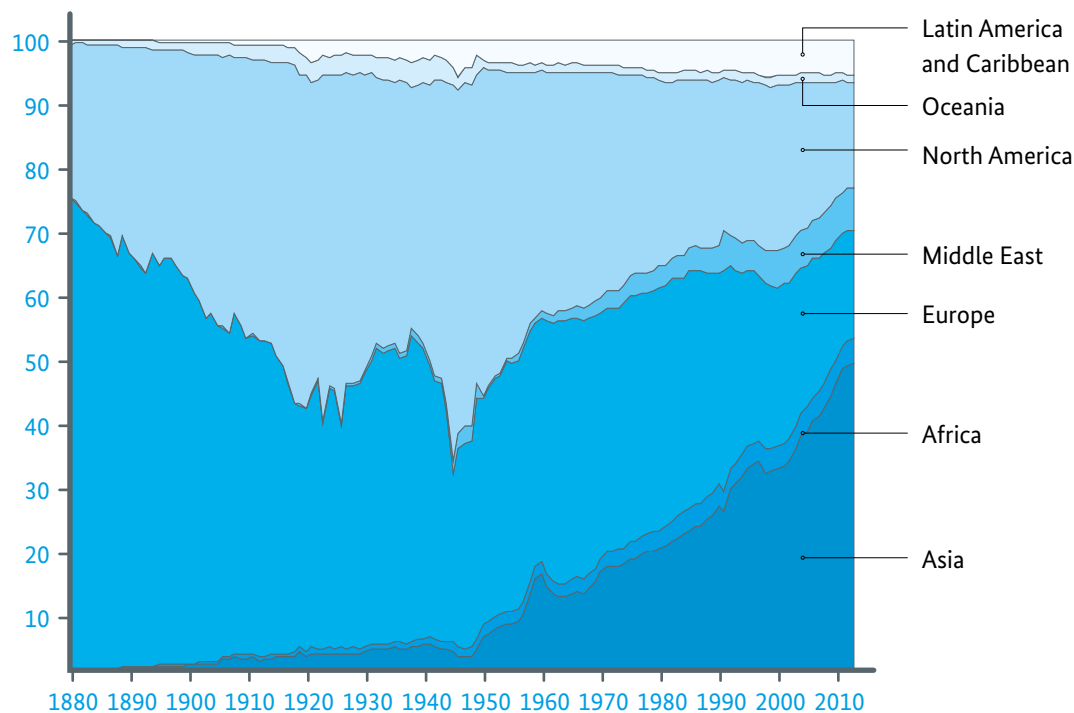
HISTORICAL CO<sub>2</sub> EMISSIONS BY REGION (1880-2013)

Figure 4

North America and Europe are responsible for most of the CO<sub>2</sub> emissions produced since the start of the Industrial Revolution but Asia is now the world's largest CO<sub>2</sub> emitter.

\* Emissions from fossil fuel burning, cement production, gas flaring

Source: MARLAND, BODEN and ANDRES (2016).

### GLOBAL WARMING AND ENVIRONMENTAL DEGRADATION: THE CHALLENGE OF GLOBAL CHANGE AND PLANETARY BOUNDARIES

Since the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992, awareness has been growing worldwide that the **established growth paths and resource consumption** characteristic of the OECD countries and affluent sections of society in the developing countries and emerging economies exceed planetary boundaries.

In 2009, the Stockholm Resilience Centre identified 10 guard rails in an attempt to provide a scientific definition of the **planet's ecological**

**limits.** These boundaries must not be transgressed; otherwise, there is a risk of global environmental crises occurring. Some of these boundaries have already been reached or are about to be crossed. Biodiversity loss, water scarcity, deforestation, nitrogen flows in soils and in water resources, and global warming have already reached critical levels.

Scientific research shows that transgression of these guard rails threatens to induce **tipping points in the Earth system**, triggering abrupt changes which pose **incalculable risks to human civilisation.** One of the greatest threats is **climate change.** Unless greenhouse gas emis-

(16) MILANOVIC (2012).

(17) GNI per capita, PPP (constant 2011 international USD).

(18) WORLD BANK (no date).

(19) UNDP (2013).

(20) DAVIES, LLUBERAS and SHORROCKS (2016).

(21) Net worth is total assets (financial and material, e.g. property) minus total liabilities.

›Reducing excessive inequality is  
not just morally and politically  
correct, but it is good economics.<

Christine Lagarde, Director of the IMF



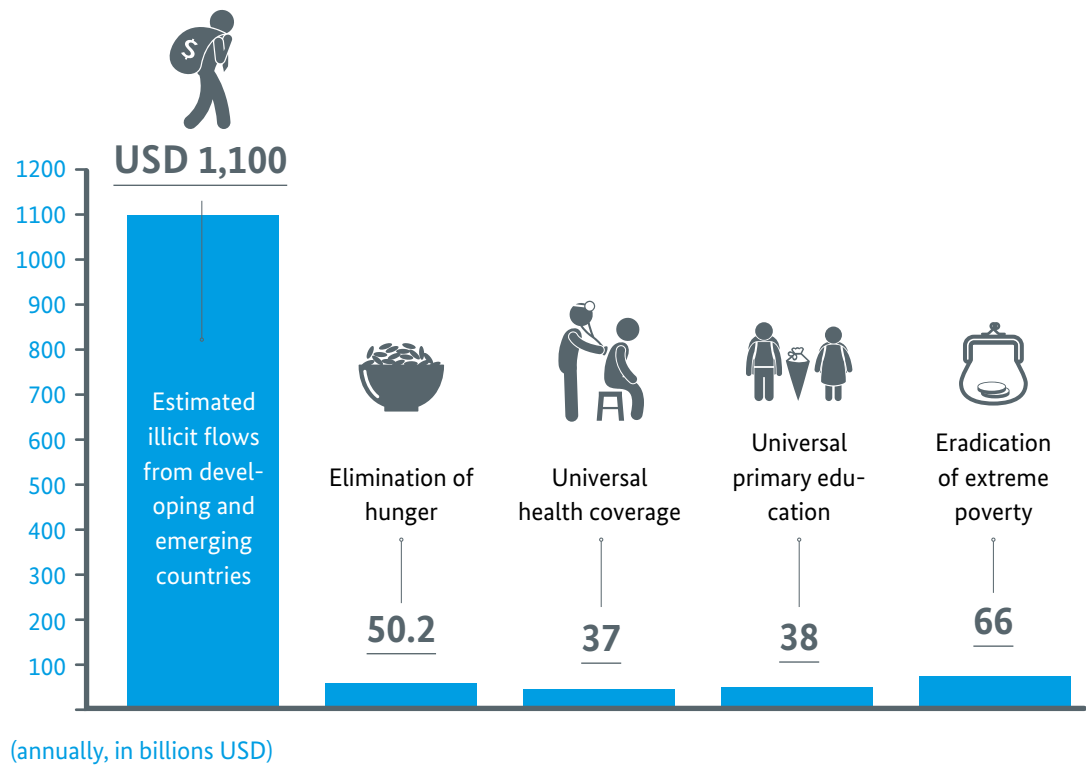
Figure 5

It is estimated that the amount of illicit financial flows\* from developing and emerging countries represents more than 10 times the total official development assistance received by these countries

\* Illicit financial flows are a) funds which are illegally earned and/or b) illegally utilised c) in all cases, moved from one country to another. They include funds from tax evasion, organised crime (e.g. drug trafficking) and corruption.

Source: GREENHILL and ALI (2013); UNGA (2014); KAR and SPANJERS (2015).

## PROJECTED COST OF SDGS VS ILLICIT FLOWS (ANNUAL, IN BILLIONS USD)



sions can be reduced to a level which holds global warming well below 2°C, with efforts to limit it to less than 1.5°C, the consequences will be disastrous and may include dramatic environmental changes, such as the melting of the Greenland ice sheet, changes to the ocean currents in the North Atlantic, and a weakening of the drivers of the monsoon system in Asia. Depending on the scenario, this could cause sea levels to rise by as much as one metre<sup>(22)</sup> by the end of the century, but it could also dry out vast areas of land, resulting in a sharp decline in food production.

Many developing countries, especially the poorest ones, are already confronted with the unavoidable impacts of global warming, even though the latter in particular are the smallest contributors to climate change. They need support in adapting to these changing conditions.

In order to enable the almost 10 billion people who will be alive in 2050 a decent life in dignity within planetary boundaries, it is essential, in the next three decades, to develop sustainable **production and prosperity models**. Unless this is successful, climatic and environmental changes will inevitably lead to **mass migration** and, ultimately, to **crises that challenge human civilisation** itself. The present and the next generation therefore bear great responsibility for the future of the entire planet and humankind.

## URBAN GROWTH

In order to keep within planetary boundaries, future urban development must also be sustainable. The world is currently experiencing the largest **wave of urban growth** in history, and this is likely to continue until 2050. Cities already produce 70% of global energy-related greenhouse gas emissions, with 40% coming from the heating and cooling of buildings alone. Since the birth of cities a good 6,000 years ago, the urban population has increased to four billion people today. It is projected that 2.5 billion people will be added to the world's urban population by 2050. This means that more than two thirds of the world's 9.8 billion people will live in cities.<sup>(23)</sup>



This growing population will require urban infrastructures, buildings, adequate housing, roads and public transport, and supply and disposal systems (water, energy, waste management) on a massive scale. The Organisation for Economic Co-operation and Development (OECD) estimates that USD 40 trillion will be needed globally for investment in building and maintaining urban infrastructures for the period 2005–2030 alone.<sup>(24)</sup> In addition, education and employment opportunities must be created for the growing urban population.

The next 35 years are the window of opportunity for determining whether cities become resilient, sustainable and equitable for centuries to come – or whether the outdated patterns of urban development that prevailed in the 20th century are allowed to persist. Cities therefore need a clear set of municipal powers and capacities, which must be defined in and supported by national policies and legislation. “Business as usual”, on the other hand, would have predictable and catastrophic consequences for the world's ecological balance and social stability.



(22) MELILLO, RICHMOND and YOHE (2014).

(23) UN DESA (2015c).

(24) OTTESEN (2011).

### GLOBAL FINANCIAL AND ECONOMIC CRISES

The 2008/2009 financial crisis showed that **poor regulation and supervision of international financial markets** can throw the entire world economy off balance. According to the World Bank, the global financial market losses resulting from the crisis reached USD 50 trillion. Global economic growth slowed from 3.9% in 2007 to 2% in 2009. Economies that rely heavily on commodity exports, such as Brazil, Nigeria and Venezuela, were hit particularly hard. The slump in demand and falling prices in the commodity markets resulted in significant budget shortfalls, forcing cuts in public spending and the cancellation of major investment projects. Foreign investment in low- and middle-income countries also decreased from USD 541 billion in 2008 to USD 385 billion in 2009.<sup>(25)</sup>

Overall, post-crisis growth in most developing countries and emerging economies has stabilised at a higher level than in the OECD states. It remains to be seen, however, to what extent

rising interest rates in the developed countries will influence investment and opportunities for public budget refinancing in the developing countries and emerging economies. Were capital outflows to increase, many developing countries, which are already battling **rising debt and lack of investment**, will face worsening problems. Developed countries generally have limited monetary and fiscal policy scope to adopt anti-cyclical measures in crisis situations, and the same applies to developing countries and emerging economies as well.

The stability of an increasingly globalised financial system is therefore of great relevance, particularly to developing countries and emerging economies. The need for regulation of capital flows must also be considered, as a globalised financial system increases the scope for **money laundering, corruption, tax avoidance and tax evasion**. According to some estimates, capital flight and illicit financial flows cost the African countries between USD 50 and USD 148 billion in tax revenue per year<sup>(26)</sup> – well in excess of total official development assistance (ODA) disbursements to Africa, which amounted to around USD 38.6 billion in 2015.<sup>(27)</sup>

At the same time, it is important, when enforcing more stringent rules to curb money laundering and the financing of terrorism, not to obstruct licit financial flows to a disproportionate extent, as this would have the unintended consequence of impeding economic development.



(25) WORLD BANK (no date).

(26) UN ECA (2014).

(27) Unless otherwise stated, ODA figures presented in this report refer to 2015. OECD (2016a).





### DEVELOPMENT POLICY FOR THE FUTURE: THE STARTING POINT

- Since the 1990s, extreme poverty has decreased dramatically; there is now a growing middle class in the developing countries and emerging economies. The OECD countries are losing significance, relatively speaking, in the world economy.
- More than 1.4 billion people live in countries affected by war, conflict and a lack of a state monopoly on the use of force. Long-lasting and complex crises, fragile states and international terrorism are increasingly challenging global security.
- Despite much progress, developing countries still face major challenges, such as HIV/AIDS, lack of access to education and high child mortality rates. A large number of countries remain disconnected from global economic development.
- Global and transnational systemic risks – international financial and economic crises, climate change and environmental degradation, epidemics and terrorism – are gaining in significance.
- Income and wealth inequality – particularly within countries – has increased significantly over the past 20 years.
- The world population grew from 5.3 billion in 1990 to 7.4 billion in 2015 and is projected to increase to 8.5 billion in 2030, with an estimated 9.8 billion people living on our planet in 2050.
- In recent years, there have been worrying signs of backsliding on good governance worldwide, with growing repression in authoritarian regimes and a decline in governance performance in democratic countries.





## THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT AS A FRAME OF REFERENCE AND “PACT ON THE WORLD’S FUTURE”: SUSTAINABLE DEVELOPMENT AS A CROSS-CUTTING TASK FOR ALL POLICY FIELDS

For a long time, development policy mainly focused on overcoming specific problems in developing countries. However, 21st-century challenges do not stop at national or European borders. The list of transboundary problems that require international and global cooperation is growing. Climate change and environmental degradation, state failure and conflict, volatility and a lack of transparency in financial and economic systems, epidemics such as Ebola and the resurgence of authoritarian regimes all pose risks to sustainable human development. Security and prosperity in Germany and Europe also ultimately depend on solutions being found to global challenges. There is a growing awareness worldwide that the major issues of human development and environmental and climate challenges require collective action from the international community.

German development policy forms part of the policies adopted by the German Government as a whole to address these global challenges. The development policy contribution to the German Government's international cooperation is intermeshed with the activities being undertaken in the ministries responsible for other policy fields and by civil society and the private sector. Close coordination of the various policy portfolios generates synergies which benefit the alignment of development policy to 21st-century challenges. A number of German ministries make important contributions to the implementation of measures within the framework of Germany's official development assistance (ODA). The federal ministries' specific programmes of cooperation with developing and emerging countries complement the development policy measures implemented by the German Federal Ministry for Economic Cooperation and Development (BMZ), which in turn increasingly involve the other federal ministries as well.

*›We cannot talk our way out of it.*

*We know that we have to follow the sustainability principle: it must be our guide. We are all familiar with the goals set out in the 2030 Agenda; we think they are the right ones. So now we must start out on the journey and take the action needed to fulfil our responsibilities.<*

Chancellor Angela Merkel at the 2016 Annual Conference of the German Council for Sustainable Development

The **2030 Agenda for Sustainable Development**, adopted by the international community in September 2015, is a key milestone on the path towards a sustainable future for all. It draws together the poverty and development strand of the Millennium Development Goals (MDGs) and the sustainability strand of the Rio process and

provides a roadmap, a kind of “new pact on the world’s future”, for people and planet. The **Paris Agreement**, adopted in late 2015, and the 2030 Agenda are the key elements of the global framework which must guide all countries’ policies:

The 2030 Agenda is **universal**: its 17 Sustainable Development Goals (SDGs) apply to every country, including the industrialised nations, across all policy fields. In this context, national realities, capacities and levels of development must be taken into account and national policies and priorities respected. All countries are to identify their respective national contributions to achieving the global goals in line with their resources, capacities and level of ambition. In other words, the 2030 Agenda is not just a set of development policy goals: it is a frame of reference for sustainable development in an emerging world community of almost 10 billion people.

The 2030 Agenda takes equal account of **all the dimensions of sustainable development** – social, environmental and economic. A decent life in dignity for everyone is only possible within planetary guard rails.

The 2030 Agenda is **transformative**: it symbolises a new and comprehensive global understanding of prosperity which goes beyond the narrow focus on per capita income.

The 2030 Agenda puts marginalised people first: with the overarching principle of “**leave no one behind**”, the 2030 Agenda calls attention to those who suffer most discrimination. Its success will be measured also by the level of progress on sustainable development achieved for the most vulnerable groups.

The 2030 Agenda lays the foundations for a new **Global Partnership**: it maps a paradigm shift away from a North-South model towards all states’ shared responsibility for global welfare. Successful implementation of the goals requires the participation of all stakeholders – from politics, business, academia and civil society, as well as each and every one of us – and a new global culture of cooperation.

The 2030 Agenda calls for **transparency and accountability**: every plan is only as good as its implementation. All countries are therefore expected to report regularly on their actions and progress, not only to their own citizens but also at regional and global level.

**Climate policy** and sustainable development – which, since the adoption of the 1987 Brundtland Report, has always included poverty reduction as well – are indivisibly linked. The Paris Agreement contains numerous references to the content of the 2030 Agenda: its primary aims – to hold the increase in global warming to well below 2°C and pursue efforts to limit it to 1.5°C, to increase adaptation capacities, and make international finance flows consistent with climate resilience – should be achieved in the context of sustainable development. The 2030 Agenda and the long-term aims of the Paris Agreement are therefore focal areas of German government policy.

The BMZ’s Charter for the Future: ONE WORLD – Our Responsibility, developed with broad stakeholder participation and adopted in November 2014, helped to raise awareness, in Germany, of the new content and the challenges described in the 2030 Agenda while the Agenda was still being negotiated. It also provided an initial roadmap for the Agenda’s implementation. In

order to respond adequately to the changed requirements of a universal sustainable development policy in the spirit of the 2030 Agenda, German development policy will contribute to the Agenda’s implementation in three key fields.



The various ministries commission the **implementing organisations** to deliver the German Government's development programmes. KfW Development Bank and the Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG) are engaged in financial cooperation, while the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is responsible for technical cooperation. In addition, various implementing organisations specialise in specific aspects of technical cooperation; examples are the Federal Institute for Geosciences and Natural Resources (BGR) and the National Metrology Institute (PTB).

**1. At the domestic level, the National Sustainable Development Strategy** adopted by the German Government on 11 January 2017 provides the key framework for Germany's implementation of the 2030 Agenda. Aligned to the Sustainable Development Goals, it prioritises the actions required for each SDG and identifies national indicators and targets, with timeframes for their attainment (generally 2030). The Strategy was produced with input from all the federal ministries under the lead of the Federal Chancellery. The Federal Statistical Office is responsible for undertaking regular independent analyses of progress towards the targets. German development policy is contributing by underscoring the importance of sustainable development in Germany and raising awareness of the transnational impacts of local action.

**2. German development policy supports other countries** in aligning and implementing their strategies and policies in accordance with the 2030 Agenda. To that end, Germany will deploy its full range of development policy tools – from bilateral cooperation via the **implementing organisations** to collaboration with civil society and multilateral contributions. At the same time, it expects its partners to make their own efforts and to “own” the process of achieving the SDGs. Ongoing efforts are made to determine to what extent existing development policy tools should be adapted and whether new tools are required. The principles, goals and indicators set out in the 2030 Agenda are being mainstreamed in the BMZ's work (planning, implementation, monitoring and reporting). Furthermore, through its development policy, Germany cooperates intensively with developing countries and

particularly with emerging economies on protecting global public goods such as health, climate, peace and security.

**3. The German Government is working at international level for a global institutional and governance framework that facilitates and promotes sustainable development on the basis of the 2030 Agenda.** Germany also supports the key role of the **High-Level Political Forum (HLPF)**, the United Nations platform responsible for reviewing the 2030 Agenda. The German Government calls for the existing monitoring systems to align their contributions to the HLPF and for a strengthening of the HLPF's role as a “World Council on Sustainable Development”. In July 2016, Germany became one of the first countries to report within the HLPF framework on the steps it has taken towards implementation. Represented by the Chancellor, Germany is also a member of the High-Level Group on the 2030 Agenda which, under Sweden's lead, aims to maintain political support for the ambitious implementation of the Agenda at the international level. At the European and international level, German development policy supports reforms which facilitate and progress the implementation of the 2030 Agenda in developing countries. With “**Shaping an interconnected world**” as the theme for its **G20 Presidency in 2017**, Germany is building on its 2015 Presidency of the G7 and capitalising on this international momentum in order to promote the universal and transformative character of the 2030 Agenda around the world.



THE 2030 AGENDA'S SUSTAINABLE DEVELOPMENT GOALS

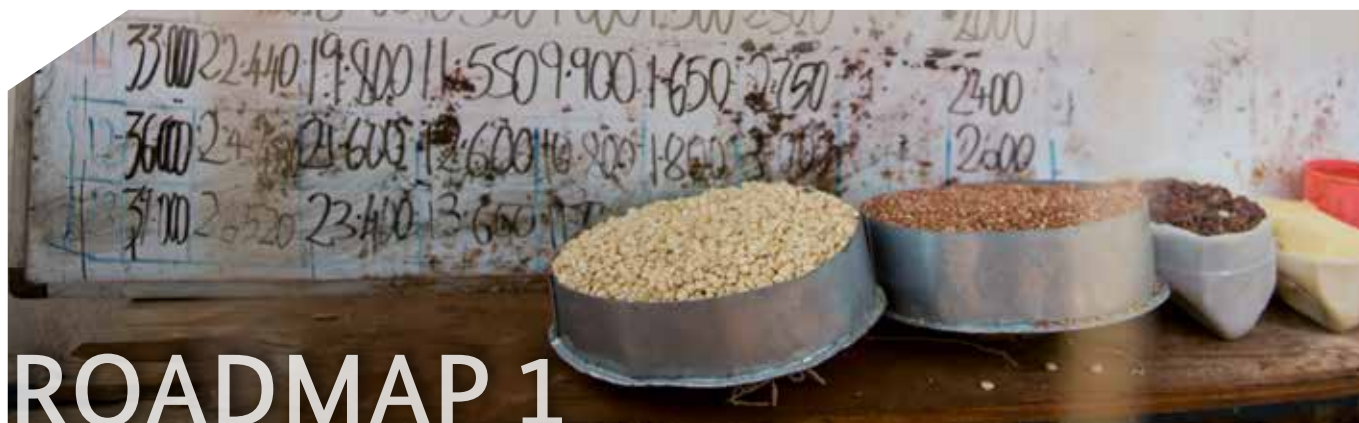
**Figure 6**  
The 2030 Agenda with its 17 Sustainable Development Goals was adopted by the United Nations in 2015. It is the follow-on agreement to the Millennium Declaration and the Millennium Development Goals.

# 1.3

## OUR WORLD IN 2030 – FIVE ROADMAPS FOR GLOBAL SUSTAINABLE DEVELOPMENT

The 2030 Agenda sets out an ambitious programme for global sustainable development. It applies to all policy areas. German development policy is guided, in this context, by five roadmaps:

- **Roadmap 1** – *A world without poverty and hunger is possible.*
- **Roadmap 2** – *The new global imperative: combating climate change, keeping within planetary boundaries.*
- **Roadmap 3** – *Promoting development opportunities, mitigating the causes of displacement, safeguarding peace.*
- **Roadmap 4** – *Creating a fairer world economy.*
- **Roadmap 5** – *Global partnerships for the 2030 Agenda.*



# ROADMAP 1

## 1.3.1

### ROADMAP 1 A WORLD WITHOUT POVERTY AND HUNGER IS POSSIBLE

Combating poverty and hunger remains a key task for development policy. In 2015, 700 million people lived on less than USD 1.90 a day. Around two billion people have to survive on less than USD 3.10 a day. Around 800 million of the world's people are still hungry.<sup>(28)</sup>

The 2030 Agenda sets out some ambitious goals: by 2030, to end extreme poverty, ensure access by all people to sufficient food, and reduce inequality within and among countries. Achieving these goals will require immense effort and commitment. There is no guarantee that this key international development policy goal will be reached.

(28) WHES (2016).



## WHERE ARE THE POOREST 20% OF THE WORLD'S PEOPLE?

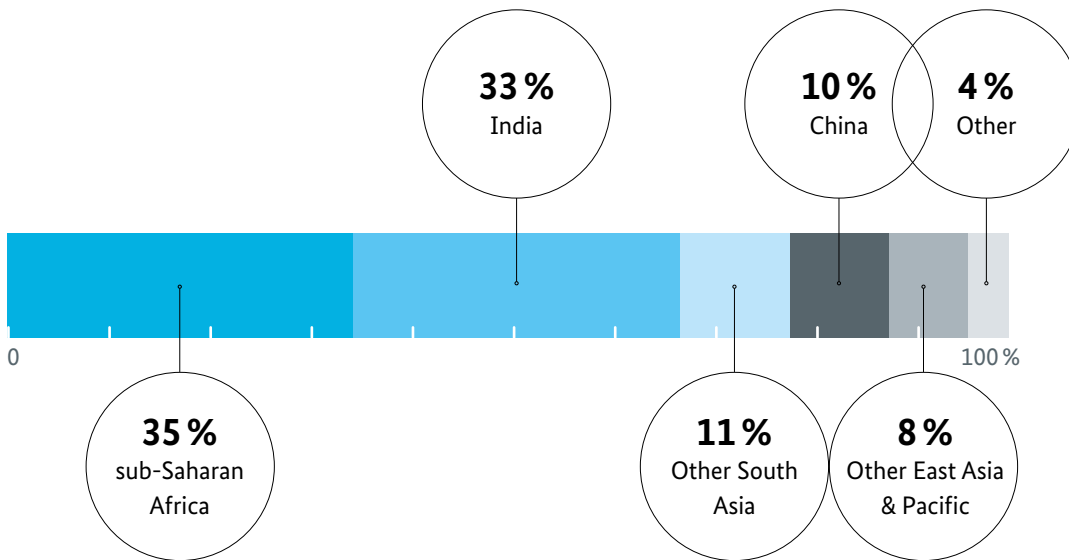


Figure 7

Poverty is multidimensional. At present, however, most of the available data focus on income poverty. In future, it is essential to gather more data in order to reflect all the various dimensions of poverty.

Source: DEVELOPMENT INITIATIVES (2015).

## 1. PROMOTING EQUITABLE GROWTH AND SHARED PROSPERITY – COMBATING EXTREME INEQUALITY

SDG 1, as defined in the 2030 Agenda, is to end extreme poverty by 2030. Studies by the World Bank show that this goal cannot be achieved through economic growth alone, even if developing countries and emerging economies were to maintain the same high rate of growth to 2030 that they have achieved since the end of the Cold War.

In order to combat poverty effectively, future growth must mainly benefit **the poorest 40% of people** in the developing countries and emerging economies.<sup>(29)</sup> Economic growth must be flanked by investment in **education, health** and the **establishment of social security systems**. In addition, new metrics – beyond GDP – are needed to measure economic development and prosperity. Instead of focusing merely on quantity, new strategies are needed to achieve high-quality, i.e. sustainable, inclusive and pro-poor economic growth.

In order to enable the group of Least Developed Countries (LDCs) to share in global development, but also to narrow extreme inequality among countries, Germany is committed to the target of spending **0.7% of gross national income (GNI) on official development assistance**

(ODA). In addition, the European Union has set itself the collective goal of allocating **0.15% of GNI to development cooperation with the Least Developed Countries (LDCs)** in the near future, rising to **0.2% within the 2030 Agenda** timeframe. These targets were reaffirmed in the 2030 Agenda, based on the outcomes of the Third International Conference on Financing for Development, held in Addis Ababa in 2015.

It is also important for all countries to cooperate on achieving **equal opportunities**. The world's poorest people must therefore have access to inclusive quality **education**. Through its development policy, Germany will invest more in realising the right to education worldwide, with a particular focus on the most disadvantaged groups. More support must be provided for basic and secondary education, both within and outside the formal school system, and Germany's wealth of experience in the vocational education and training (TVET) sector must be shared. Joint initiatives with German industry are being expanded. Innovative incentive schemes to promote vocational training are being devised with the World Bank and the regional development banks.

(29) WORLD BANK (2014).



Alongside education, **health** is a building block in achieving equality of opportunity. Germany will work to ensure that international stakeholders make a more effective contribution to strengthening health systems in future. This is also a key component in preventing health risks. The German Government's Roadmap: **Healthy Systems – Healthy Lives**, which focuses on health system development, provides the policy framework for the actions to be taken in this context.

Work is the most important income source for the majority of households in developing countries.<sup>(30)</sup> German development policy therefore focuses on promoting **inclusive employment**, with an emphasis on social and human rights standards and the **economic empowerment of women**. This was reaffirmed with the launch of the initiative on Women's Economic Empowerment, agreed at the 2015 summit in Elmau during the German G7 Presidency.

In order to improve the realisation of every individual's right to health, education and employment and to assist people in need, developing **social security systems** in partner countries must be a higher priority. Establishing basic social protection packages for all the world's

people who currently lack access to social security would cost 6% of global GDP.<sup>(31)</sup> As this shows, a minimum level of social security is affordable.

In addition to social security provision, a **stable and inclusive financial system** is the basis for growth and employment. Currently, however, around two billion people lack access to formal financial services. The German Government is committed to achieving financial inclusion goals and supports access to needs-based financial services, particularly for lower-income groups and **micro, small and medium-sized enterprises (MSMEs)**, at various levels. At the international level, Germany is working inter alia in the G7 and G20 contexts (mainly via the **Global Partnership for Financial Inclusion – GPFi**) and with other partners to promote financial inclusion and mobilise private investment that offers social and/or environmental benefits.

(30) UNDP (2013).

(31) ILO (2008).

## 2. EXPANDING THE SCOPE OF FOOD SECURITY POLICY IN LIGHT OF CLIMATE CHANGE

In theory, enough food is already being produced to feed the world population. And yet around **800 million people are hungry**, and around two billion are suffering from hidden hunger, i. e. a lack of vital micronutrients.<sup>(32)</sup> At the same time, 1.9 billion people are overweight – and 600 million of them are obese.

The pressure on rural regions in developing countries and emerging economies – and particularly on smallholder agriculture – is intensifying. The world’s current system of agriculture and food production is unlikely to be able to provide sufficient food for a growing world population. There will need to be a 60% increase in agricultural production by 2050 to meet rising demand.<sup>(33)</sup> A world without hunger and malnutrition (SDG 2) will only be achieved, therefore, with significantly more **investment and the use of sustainable technologies and innovation** in agricultural production and food security. This must be accompanied by substantial improvements in access to, and availability of, a high-quality and varied diet.

Achieving an environmentally compatible increase in agricultural production and better access to food for large sections of society is a necessary but not the sole prerequisite for sustainable improvements in the food situation. If the available food is to be put to **good use**, there needs to be sufficient awareness of how to grow, store and preserve food sustainably. Knowledge of hygiene and access to an improved **water supply and sanitation** are also essential; diarrhoeal disease is not only the second leading cause of death in children under five years old in developing countries, but it also worsens the



nutritional status of people who are already suffering from nutritional deficiencies.

How food is produced in future is also of key importance. Relying on today’s cultivation and processing techniques to boost global agricultural production would substantially increase food-related resource consumption and cause severe **water shortages** across much of sub-Saharan Africa, India and Central America by 2025. The drying out of soils and large-scale deforestation would be other unavoidable consequences. Policies which promote site-adapted, resource-efficient and more productive agriculture, coupled with appropriate support for investment and research, are therefore required in order to stabilise global agriculture for the long term. This can only take place in conjunction with other sectors, e.g. within the framework of the **water-energy-food nexus**.

This **transformation of farming worldwide must be successful in the context of climate change** as well. This leads to three key conclusions: firstly, appropriate and resilient food security strategies must be developed; secondly, insurance-based solutions are required in response to climate-related risks; and thirdly, the agricultural sector as a whole must play its part in lowering greenhouse gas emissions. Climate change is a direct driver of global hunger. At the same time, agriculture itself is a major contributor to global warming – together with forestry and land use change, it accounts for 25% of annual greenhouse gas emissions.<sup>(34)</sup> This trend is heightened by the persistently high level of meat consumption in developed countries, the growth in meat consumption and the associated intensification of livestock farming in the emerging economies, and by the increasing use of mineral fertilisers. Other key drivers are rice cultivation and biomass burning.

However, the agricultural sector can also make an important contribution to climate protection. Emissions reductions can be achieved through sustainable intensification of agriculture on existing farmland, sustainable soil and water resources management, efficient nutrient and fertiliser use, and reform of livestock farming regimes. **Carbon storage in biomass and soils** is a further option. The substitution

(32) IFPRI (2016).

(33) ALEXANDRATOS and BRUINSMA (2012).

(34) IPCC (2014b).



of sustainably produced biomass for fossil fuels in energy generation can lower greenhouse gas emissions across the economy. It is also essential to avoid increasing greenhouse gas emissions by opting not to convert forests, savannas, steppes and marshlands into agricultural land.

Urban areas are important markets for agricultural produce. However, urban growth and resource consumption jeopardise the fertile soils and water resources that are the vital basis for agriculture. For that reason, **integrated spatial development** that takes equal account of the needs of urban and rural regions is important for long-term food security.

Reducing food waste during production, processing and consumption also has an important role to play. In developing countries, the main priority is to prevent food from spoiling on the journey from the producer to the consumer. Efforts to combat hunger and malnutrition must therefore consider the entire food supply system from farm to fork. In emerging economies and industrialised countries, a key priority is to **reduce the avoidable wastage of food and losses** caused by the consumer.

Through its development policy, Germany aims to achieve the following objectives in relation to food and nutrition security:

#### A) ACHIEVE FOOD SECURITY – INCREASE PRODUCTION

Through its **special initiative ONE WORLD – No Hunger**, the BMZ is making the fight against hunger and malnutrition one of its core topics. German development policy will widen the focus on this issue by mainstreaming food security in as many programmes as possible.

Natural disasters and conflicts make it impossible for people to feed themselves. In this situation, a food supply must be provided in a manner compatible with human dignity. It is also important to build individual and community resilience in order to prevent, or at least ameliorate, future food crises. Both are important and must be adequately resourced by the relevant departments.

The special initiative enables the BMZ to expand its activities in a range of thematic areas. In addition to promoting innovation and boosting value added, key priorities include combating malnutrition, protecting and restoring fertile soils, and safeguarding access to land, agricultural financing and vocational training. In total, the BMZ is now spending EUR 1.5 billion a year on supporting rural development, agriculture and food security.



It is estimated that as much as **40% of food purchased** in OECD countries is **thrown away by consumers**. FAO (2011).



→ A market scene in Rangoon, Myanmar

With the **green innovation centres**, the BMZ is successfully supporting the introduction and roll-out of innovations with a focus on the production, storage, transportation, processing and marketing of food. Sustainable reforms of cultivation techniques and organisational structures take time, so this programme, originally planned for three years, has now been extended to seven years until 2021. A further extension, to be funded from the 2017 budget, is planned.

In addition, comprehensive research activities are also under way to generate and disseminate knowledge about international food security policy issues. Securing the global food supply is a key field of action under the **National Research Strategy BioEconomy 2030**, resulting in the launch of various funding initiatives. They include “**Globe – Securing the Global Food Supply**”, which is supported by the German Federal Ministry of Education and Research (BMBF) and the BMZ and aims to establish and consolidate partnerships between German and African agricultural research institutes.

In order to achieve a world without hunger, various approaches are required for diverse **target groups**; this means directing efforts towards marginalised communities, smallholder farmers who are close to achieving commercial viability, and food processing companies. As it is mainly women who are engaged in agriculture in developing countries and most of them are disadvantaged, programmes which specifically aim to empower women and address their problems and challenges play a key role.

**Access to appropriate financial services** is another key prerequisite for production increases. Many small (family) farms and other stakeholders in agricultural value chains, such as suppliers and processing plants, are unable to invest adequately in quality seed, mechanisation and storage, for example. These small farm enterprises have very limited capital and virtually no access to appropriate financial services. The BMZ therefore aims to improve access to financial services in partner countries, e.g. by setting up specialised agricultural funds, introducing new and adapted financial products and providing support for microfinance institutions.

Alongside project implementation in partner countries and knowledge sharing, **agricultural, development and trade policy coherence at**



↑ Sustainable rural transformation through the cultivation and processing of nuts in Benin

**the EU level** is extremely important for food security. Through its development policy, Germany must in future give more active support to developing countries and emerging economies to ensure that their agricultural and trade policies are conducive to development. This includes building the capacities of policy-makers, the science and research community and civil society in the partner countries to conduct policy impact assessments of their trade and agricultural strategies.

**International agricultural research** is a good example of joint engagement by the international donor community. The BMZ provides around EUR 20 million in funding annually for 17 international agricultural research centres.

In addition, bilateral cooperation makes an important contribution to international agricultural research. The German Federal Ministry of Food and Agriculture (BMEL), for example, provides EUR 5 million a year to support cooperation and exchange with various partner countries, the Ministry's own research





↑ View of a terraced irrigation system in Alaga, Ethiopia

institutes, and universities. The Research Cooperation for Global Food Security funding programme aims to build an efficient agricultural sector in developing countries by making direct use of German agricultural research.

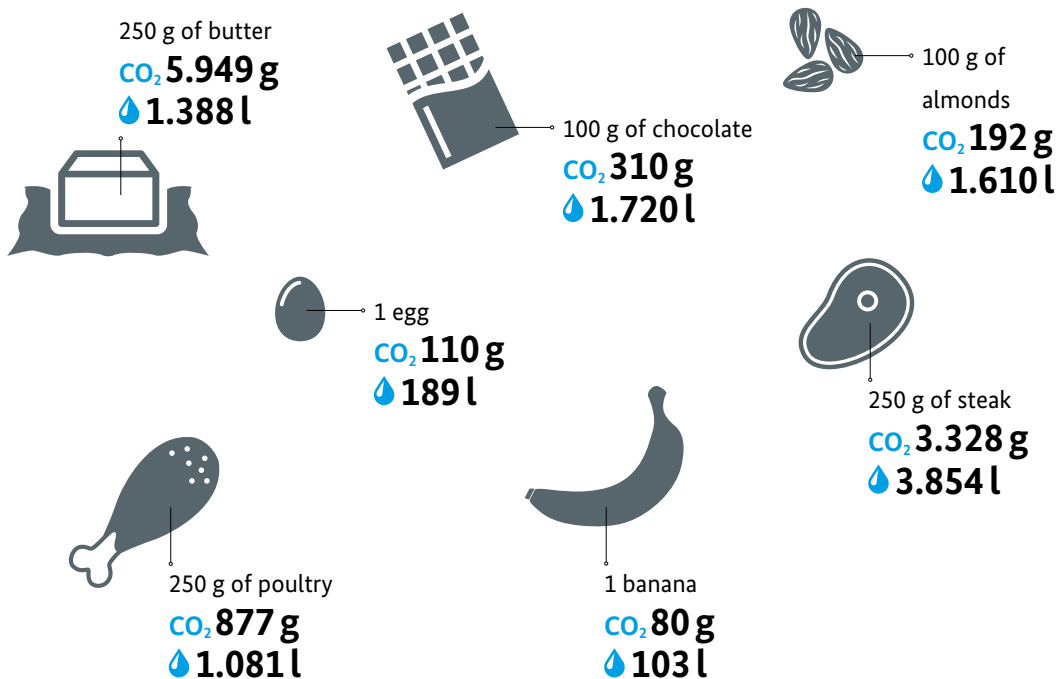
#### **B) PROTECTING NATURAL RESOURCES FOR AGRICULTURE, SAFEGUARDING FAIR ACCESS TO LAND FOR ALL, PROMOTING TRANSPARENCY**

Future farming must be resource-efficient and climate-smart. Germany will ensure that at least **70% of its development policy support for agriculture in partner countries is climate-smart**, that it is deforestation-free and that it also makes tangible contributions to mitigation and adaptation in the farm sector. The partner countries' **Nationally Determined Contributions (NDCs)** and **National Adaptation Plans (NAPs)** are a useful frame of reference here.

In conjunction with the United Nations Convention to Combat Desertification (UNCCD) and other partners, German development policy is pursuing soil conservation as one of its specific objectives. Firstly, sustainable soil management

can contribute to climate change mitigation by storing carbon in soils, and secondly, healthy soils increase the proportion of organic material and thus build more climate-resilient farming systems. By adopting a targeted approach through its special initiative One World – No Hunger, the BMZ aims to additionally protect and rehabilitate up to 250,000 hectares of topsoil in five partner countries.

More private sector engagement in agriculture in the developing countries would also be helpful. The **Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT)** must be the benchmark applied by all governments and investors in the context of land-based investment. Appropriate capacities must therefore be developed, particularly in the main target countries of land-based agricultural investment.

CO<sub>2</sub> EMISSIONS AND WATER CONSUMPTION PER ....**Figure 8**

Every German consumes 500 kg of food on average per year (excluding beverages) and is thus responsible for 2.1 tonnes of greenhouse gas emissions – roughly equivalent to the per capita GHG emissions from mobility in Germany.

Sources: BERNERS-LEE (2010); BMUB (2016); DREWNOWSKI ET AL. (2015); ENVIRONMENTAL WORKING GROUP (2011); MEKONNEN and HOEKSTRA (2011); VOLPE ET AL. (2015).

**Access to land** and secure land tenure are vital for rural communities' food and nutrition security. Against this background, it is essential to uphold the principle that only investment that is sustainable and takes appropriate account of local communities' legitimate land use rights should receive state support.

Disclosure and monitoring of contracts and payments are a key prerequisite in reducing corruption and bribery in land-based investment. The German Government therefore supports **transparency initiatives** such as the Land Matrix<sup>(35)</sup> and works with Transparency International to combat corruption in the land sector. Through its development policy, Germany will support further transparency initiatives in the land and forestry sector in its partner countries in future.

**C) CREATING A NEW FOOD AWARENESS**

In parallel to the engagement in partner countries, flanking measures in Germany can contribute to more sustainable use of food worldwide. For example, **awareness-raising** is important in boosting the campaign to reduce avoidable food waste and losses in Germany and Europe. The BMEL's **"Too good for the bin" initiative** is a good example. In addition, schools and other educational establishments should draw attention to the benefits of nutritious and sustainable food, e.g. by introducing "Healthy Food" as a topic on the curriculum.

**Measures based on behavioural economics**

can also help to reduce the consumption of unhealthy and unsustainable foods by making it easier for the consumer to make positive choices. Here, there is potential to develop appropriate interdepartmental initiatives and toolkits.

(35) [www.landmatrix.org](http://www.landmatrix.org).

### 3. AN INTEGRATED APPROACH TO POVERTY REDUCTION

Combating poverty is particularly difficult in contexts of conflict and violence. The relevance of contexts of fragility is already reflected in Germany's development cooperation: in 2016, according to the BMZ's crisis early warning system, in 65 % of partner countries, there was an increased or immediate potential for conflict or crisis.

In fragile states, targeted conflict-sensitive and peacebuilding efforts must therefore be coupled with integrated approaches to poverty reduction to a greater extent. This means promoting the establishment of legitimate structures in state and society through foreign, security and development policy, along with measures to foster growth and reduce poverty, based on an **integrated approach**. Attention should focus especially on disadvantaged groups and young people in order to reduce exclusion and marginalisation and thus defuse the potential for social unrest.

However, it is not only armed conflicts which pose major threats. Around three billion of the world's people are suffering under authoritarian regimes. If the 500 million people who live in defective democracies are included, almost half the global population is affected by poor governance and a lack of political rights. A key prob-

lem arising in this context in many developing countries is massive **corruption**: 90 % of partner countries engaged in development cooperation with Germany are classed as highly corrupt.<sup>(36)</sup>

Countries which have a stable – albeit weak – governance system but lack the political will to combat corruption or establish functioning institutions, or which are insufficiently oriented towards reform and development, must be held to account to a greater extent. For example, high poverty rates, particularly in countries with well-performing economies, are actively addressed in political dialogue. In its development cooperation, Germany applies the principle of **incentives and demands**, coupling its funding commitments to clear agreements with partner countries.

Multi-stakeholder cooperation at the international level is particularly important in relation to weak and conflict-affected countries. In contexts of fragility, it is essential to support state and civil society actors who are actively seeking solutions and to curb forces responsible for social disintegration.

(36) TRANSPARENCY INTERNATIONAL (2016).

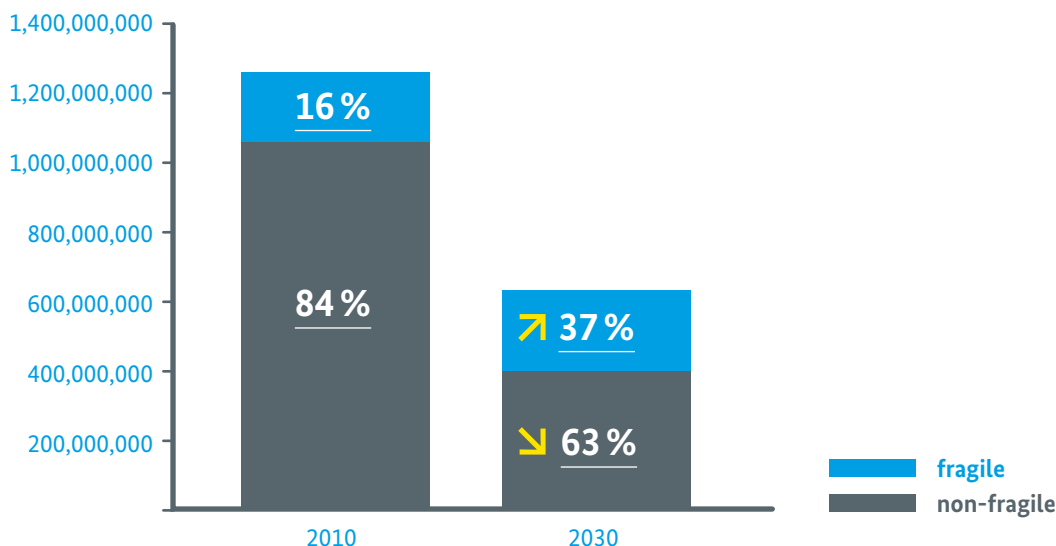


**Figure 9**

The number of people living in extreme poverty will decrease over the coming years but a higher percentage of the poor will live in fragile states.

Source: BURT, HUGHES and MILANTE (2014).

POVERTY IN FRAGILE AND NON-FRAGILE STATES



#### 4. STRENGTHENING HUMAN RIGHTS, EQUALITY AND INCLUSION

With its pledge to “leave no-one behind”, the 2030 Agenda puts human rights at the heart of all 17 Sustainable Development Goals (SDGs). However, this pledge can only be honoured if the international community takes resolute action to combat exclusion and the marginalisation of individuals and entire demographic groups. Sustainable development is impossible wherever children and young people experience structural disadvantages, gender equality has not been achieved and women’s rights are not respected, and people suffer systematic discrimination on the basis of their origin, ethnicity, faith, age, disability, gender identity or sexual orientation.

The **systematic mainstreaming of the human rights-based approach** in all German development programmes will therefore continue on a more intensive basis. The number of programmes and projects that focus specifically on human rights or the promotion of gender equality should also increase. During the implementation and review of the 2030 Agenda, support should focus especially on organisations and human rights defenders who advocate for transparency and accountability.

The **BMZ’s Action Plan for the Inclusion of Persons with Disabilities** (2013–2015) identifies measures to promote the participation of the disabled in development cooperation. Building on experience gained with its implementation, the Action Plan has been extended until 2017 and new measures added.



↑ “Creating with women” workshop during the German Habitat Forum, Berlin

In its **National Action Plan for the Implementation of the UN Convention on the Rights of Persons with Disabilities** (NAP 2.0), updated in 2016, the German Government defined inclusion as a horizontal issue for its development

#### WOMEN IN PARLIAMENT



**Figure 10**

Women remain heavily under-represented in politics across the world, holding more than 30% of seats in only 27.6% of parliaments.

Source: IPU (2016).





## ONE PERSON IN SEVEN IS LIVING WITH DISABILITY

**Figure 11**

80% of people with disabilities live in developing countries

Source: BEZEV (2011);  
WORLD BANK (2011);  
SIBILSKI (2015).



policy and humanitarian assistance and outlined a package of measures in this context.

In order to strengthen the **human rights of older persons**, the German Government is working for full and effective implementation of the objectives set in the **Madrid International Plan of Ac-**

**tion on Ageing** (MIPAA) and its **Regional Implementation Strategy** (RIS). In addition, the German Government contributes to the open discussion at international and national level on options for the further empowerment of senior citizens.

## 5. MANAGING POPULATION DYNAMICS AND DEMOGRAPHIC CHANGE

The world population has now reached more than **7.4 billion** and is projected to reach 8.5 billion by 2030 and **9.8 billion by 2050**. While the population of Europe is expected to decrease by around 1.9% from the current figure of 742 million to 728 million by 2050, developing countries' populations will increase by around 40%, from 6.1 billion to 8.5 billion, over the same period.<sup>(37)</sup>

**Population registration and statistics** pose major challenges for many countries. In 2014, around 35% of the world's children were unregistered in their country of residence.<sup>(38)</sup> According to the **United Nations Children's Fund** (UNICEF), almost 60% of children in sub-Saharan Africa are unregistered, while the figure for South Asia is close to 40%. However, birth registration is a key prerequisite for legal identity and the enjoyment of state-guaranteed rights, which is why the 2030 Agenda includes specific provisions on such registration. In view of the challenges facing the health, education and energy sectors, reliable civil registration and vital statistics (CRVS) systems are essential in enabling national and provincial governments and municipal authorities to plan the delivery

of public services and make efficient use of public funds.

Furthermore, population numbers and distribution have a major influence on development progress and poverty reduction. On the one hand, the large youth population in Africa and Asia offers potential for economic development. If a country has a large number of young entrants to the labour market, especially if they have fewer children than their parents, e.g. due to improved welfare, the workforce increases as a proportion of the total population. This triggers above-average prosperity growth, as there are fewer non-working individuals in the population to be supported by the gainfully employed. This is known as the **demographic dividend**. On the other hand, as the population grows, so does the demand for food, water and social services, e.g. healthcare.

(37) UN DESA (2015b).

(38) UNICEF (2013).



In order to eradicate extreme poverty throughout the world by 2030, efforts in the field of population development are therefore required:

→ Germany is intensifying its development policy engagement for sexual and reproductive health and rights. Since 2015, annual funding for the **BMZ's Initiative on Rights-based Family Planning and Maternal Health** – the German Government's contribution to the G8's **Muskoka Initiative** – has increased from EUR 90 to EUR 100 million. In addition, through its development policy and involvement in relevant international processes, Germany continues to advocate for protection of the right to sexual and reproductive health.

→ The demographic dividend can only be leveraged if the large youth population in developing countries and emerging

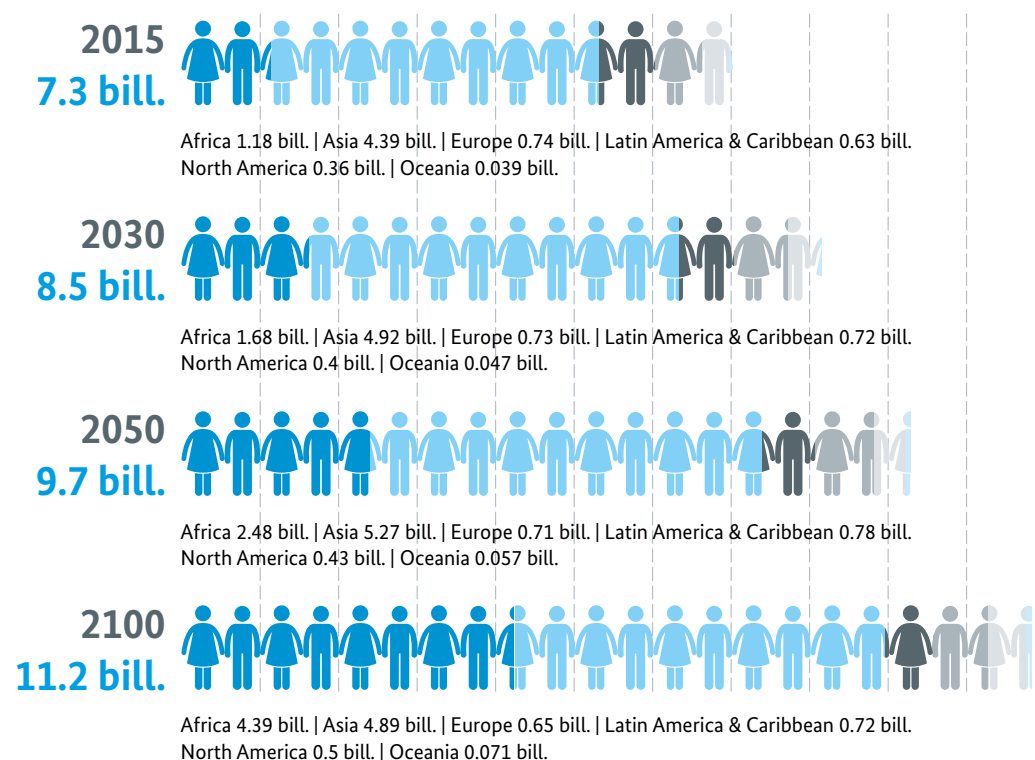
economies has adequate **access to high-quality training opportunities and decent work**.

→ Data on demographic trends in partner countries are often inadequate. More comprehensive measures are therefore required to **improve statistical infrastructures and capacities**, particularly at the local level. Efforts must be made to improve the fundamentals, primarily in relation to civil registration and vital statistics (e.g. birth registration). In order to ensure adequate provision of social security, healthcare and employment in line with current demographic trends, the collection and analysis of statistical information about people and their diverse needs must be improved. This is only possible through the gathering of disaggregated data based on gender, ethnicity, disability, etc.



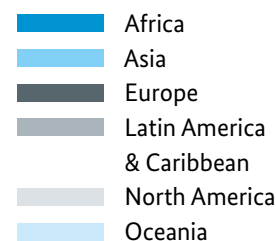
With the **Muskoka Initiative** (2010), the G8 pledged an additional USD 5 billion of funding over five years (2010–2015) for improving child and maternal health under MDGs 4 and 5.

GLOBAL POPULATION GROWTH



**Figure 12:** Over the coming years, population growth will be higher in Africa than in any other region. The African population is set to increase by more than 350 % by the end of the century.

Source: UN DESA (2015d).





1.3.2

## ROADMAP 2

### THE NEW GLOBAL IMPERATIVE: COMBATING CLIMATE CHANGE, KEEPING WITHIN PLANETARY BOUNDARIES

As natural resources are the essential prerequisite for the preservation of life on our planet now and in future, human development must progress accordingly over the coming decades. The window of opportunity for effecting the transformation towards sustainability is narrow.

The right course must be set in order to largely decouple economic development from the consumption of non-sustainable, non-renewable and non-regenerative resources, the production of greenhouse gas and other harmful emissions, and ecosystem stress in the coming decades. The goal set out in the Paris Agreement is to achieve **global greenhouse gas neutrality** in the second half of the century. In addition, environmental degradation from intensive farming must be reduced while also achieving food security for

the world's growing population. The challenge in the developing countries is to reconcile this imperative with the justified desire for economic growth.

The German Advisory Council on Global Change (WBGU) and other scientific advisory bodies have identified **three major paradigm shifts** that are needed in all countries in response to these challenges: achieve global **greenhouse gas neutrality**; **keep within the main planetary boundaries**; and **introduce a circular economy worldwide**.

In addition, development policy recognises and is addressing the immense **challenges posed by the forthcoming wave of urban growth**.

#### 1. PROMOTING GLOBAL GREENHOUSE GAS NEUTRALITY, MITIGATING AND GUARDING AGAINST CLIMATE IMPACTS

In Paris, the international community agreed to hold the increase in the global average temperature to **well below 2°C and pursue efforts to limit temperature increase to 1.5°C**. To that end, **greenhouse gas (GHG) neutrality needs to be achieved worldwide in the second half of the century**. Keeping global warming below 2°C above pre-industrial levels requires rapid and resolute action. With its **Climate Action Plan 2050**, Germany has sent a clear message that it is committed to achieving global greenhouse gas neutrality to the greatest possible extent by the second half of the century. In addition, through

various programmes and initiatives, effective support is being provided for developing countries' efforts to move in this direction.

The Intended Nationally Determined Contributions (INDCs), submitted for the first time by 188 countries at the Paris Climate Change Conference in 2015, together with the goals defined in the 2030 Agenda for Sustainable Development and the national climate change strategies and national adaptation plans, serve as the roadmap for low-carbon, climate-proof transformation at the national level. However, the National-

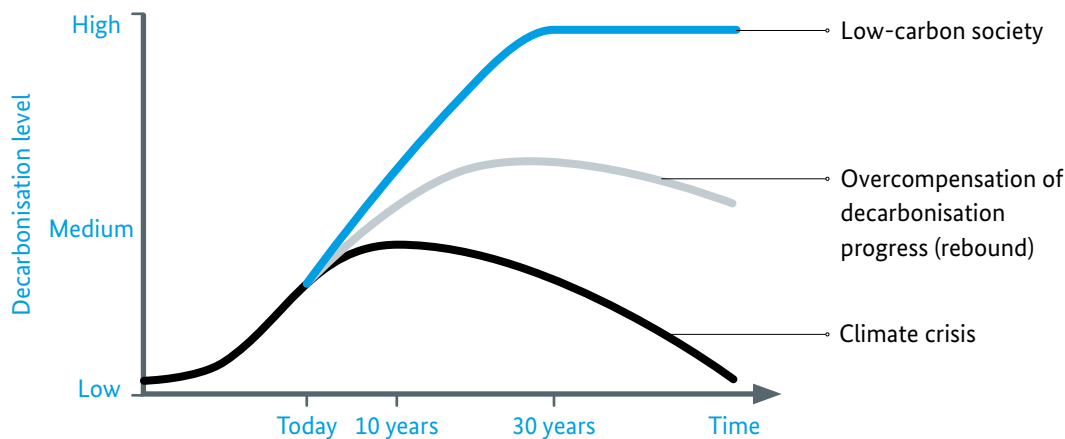
## WORLD IN TRANSITION – TOWARDS A LOW-CARBON SOCIETY



Figure 13

All countries need to pursue a pathway towards decarbonisation of their economies. It is important to consider the rebound effect: for example, if consumers save money by running a more efficient car but then spend it on flights, this cancels out the climate action taken.

Source: WBGU (2011).



ly Determined Contributions (NDCs) are not sufficient to hold global warming below 2°C; on the contrary, even with implementation of the NDCs, the planet would still experience an increase in global temperature between 2.7 and 3.5°C.<sup>(39)</sup> The climate change mitigation and adaptation targets set out in the various NDCs should therefore be reviewed and updated every five years in accordance with the provisions of the new agreement, with a higher level of ambition from 2025.

The **abolition of inefficient fossil fuel subsidies**, support for renewables use and increased energy efficiency will feature as key tools in this context in future. Over the past two years, the BMZ spent more than EUR 4 billion on developing sustainable and secure energy systems in various parts of the world. Furthermore, in order to facilitate **energy system transformation in developing countries**, German development policy supports the Africa Renewable Energy Initiative (AREI), which plans to install up to 10 GW of additional renewable energy capacity by 2020, thus improving access to sustainable energy by 2030.

It is apparent from the NDCs that most countries are only planning **decarbonisation strategies** for their energy systems at present. Without emissions reductions in urban areas, transport and mobility, construction and agriculture, however, the climate cannot be protected effectively. These sectors must become a stronger focus of efforts to protect the climate in future.

German and European development policy should therefore make its contribution to raising the level of ambition for decarbonisation in partner countries and other industrialised nations and influence its sectoral direction. Developing countries should be given support to 2025 and beyond in implementing their NDCs within the Paris Agreement framework, with a **clear global shift away from the “business as usual” scenario**.

Every country should therefore develop and meet appropriate interim targets for all relevant sectors as part of the transition towards greenhouse gas neutrality, with partner countries receiving more technical and financial support for their efforts in this context. Together with other industrialised and developing countries and in conjunction with the United Nations, the World Bank and other institutions, the German Government has launched a Global Partnership for the implementation of the NDCs.



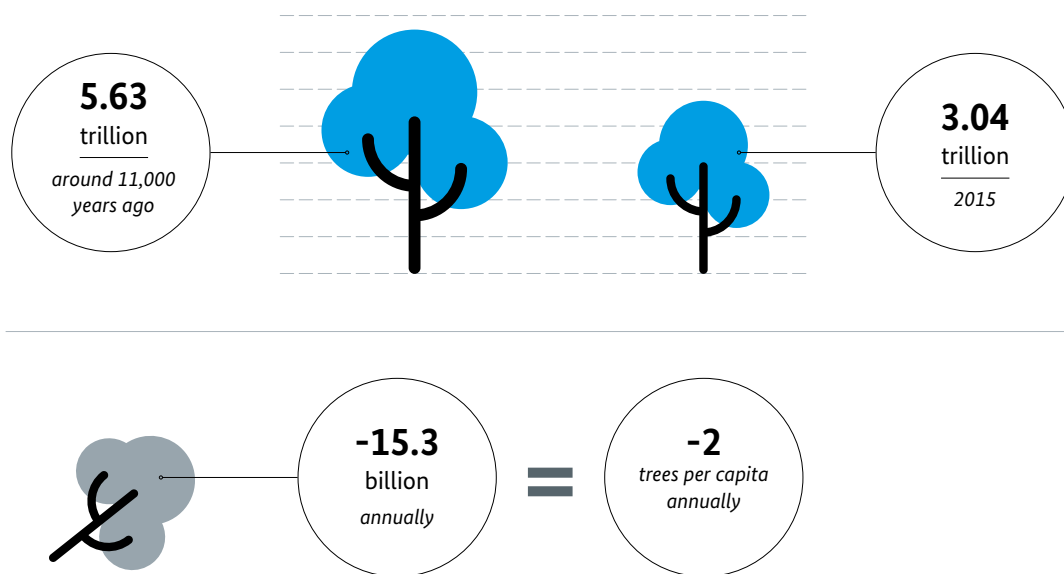
(39) IEA (2015).



Figure 14

Today, there are 3.04 trillion trees on Earth – down roughly 46% since the start of human civilisation. Despite all the efforts being made, there is a gross loss of around 15.3 billion trees annually.

## NUMBER OF TREES AND GLOBAL FOREST LOSS



Source: CROWTHER ET AL.(2015).



These **goals** were agreed by more than 130 representatives of governments, non-governmental organisations (NGOs) and the private sector in the New York Declaration in September 2014.

The Partnership assists developing country governments to achieve coherence between climate and development goals, increase the level of ambition and, with support from bilateral and multilateral donor programmes, to take coordinated action in pursuit of the targets.

**Forests** play a major role in protecting the climate. They cover around 30% of the Earth's land mass. Worldwide, 1.6 billion people depend on forests for their livelihoods. Forests are home to 80% of the world's terrestrial biodiversity. They regulate the climate and hydrological cycles and protect soil from erosion. A major share of global deforestation is the result of conversion of forest into land for agricultural purposes, with industrial farming to meet global demand for agricultural commodities and animal products, mainly beef, palm oil, soya and paper, accounting for around 50% of deforestation.

Deforestation produces around 11% of anthropogenic GHG emissions – roughly equivalent to the annual emissions from all the world's cars, trucks, planes and ships. Without forest conservation, keeping global warming below 2°C will be impossible. More intensive efforts are therefore required to establish, protect and make low-emission use of forests in many partner countries around the world. These efforts are to be underpinned by the **BMZ's Forest Action Plan**.

The global challenges of climate change and competing forms of land use require international solutions and the formation of alliances with other donors. Germany is therefore engaged in a joint initiative with Norway and the United Kingdom with the aim of making headway on “joined-up” climate change mitigation and forest conservation. The **initiative aims** to increase and scale up support for **Reducing Emissions from Deforestation and Forest Degradation (REDD+)**, implement integrated land use programmes and leverage private investment to transform supply chains to become deforestation-free. With this initiative, the German Government will contribute to halving the rate of natural forest loss by 2020 and ending it by 2030 and to restoring 350 million hectares of degraded agricultural and forest landscapes by the same date, thus reducing annual carbon emissions by 4.5–8.8 billion tonnes.

Furthermore, continued efforts must be made to honour the industrialised countries' pledge to mobilise USD 100 billion a year in **climate financing** from public and private sources from 2020. With the ratification of the Paris Agreement by the EU and seven member states (including Germany) on 5 October 2016, the required threshold of at least 55 countries responsible for at least 55% of global emissions was reached. The Agreement thus entered into force on 4 November 2016.



## 2. PRESERVING BIODIVERSITY, PROTECTING THE SEAS, HALTING SOIL DEGRADATION

Human communities rely on biodiversity and their associated ecosystem services to perform a wide variety of functions. The main objective of the **Convention on Biological Diversity (CBD)** is to stop biodiversity loss by 2050 at the latest. The German Government supports the CBD Strategic Plan for Biodiversity 2011–2020, including the **Aichi Biodiversity Targets**, and calls for their rapid implementation by all countries. However, nature conservation measures alone are not enough to meet **biodiversity conservation** targets. Biodiversity conservation and sustainable management of ecosystems must therefore be mainstreamed in all areas of development cooperation. In political and economic decision-making, due consideration must be given to the value of biodiversity and the vital ecosystem services which it provides. This must include the consistent elimination or phase-out of subsidies harmful to biodiversity (Aichi Target 3 of the CBD Strategic Plan for Biodiversity 2011–2020).

The seas are our planet's largest ecosystem. In light of climate change and the associated warming and acidification of the oceans, **marine**

**conservation** is vitally important. Coastal ecosystems are species-rich habitats and perform key functions in climate protection and disaster risk reduction. Mangrove forests, for example, dissipate wave energy, especially from storm surges and tsunamis, and thus protect coastlines from flooding and erosion. They also store two to four times more carbon than tropical rainforests. The BMZ has therefore launched a new **10-Point Action Plan for Marine Conservation and Sustainable Fishing**, setting out ambitious targets for the protection and sustainable use of marine biodiversity. One of its objectives is to increase the coastal and marine areas receiving support worldwide from 165,000 km<sup>2</sup> (2016) to a total of 600,000 km<sup>2</sup> in 2020.

In addition to biodiversity and marine conservation, **minimising soil degradation** and combating desertification are key prerequisites for climate and environmental protection and world food security. German development policy therefore actively supports the goal of **land degradation neutrality** by 2030.



The 20 **Aichi Biodiversity Targets** include improving the status of biodiversity by mainstreaming across government and society; they also define specific measures for biodiversity conservation.



**Land degradation neutrality** – a state whereby the amount of healthy and productive land resources remains stable or increases – is dealt with in the 2030 Agenda, Target 15.3: (“By 2030 [...] strive to achieve a land degradation-neutral world”).



↑ Workers from a mangrove tree nursery in Beira, Mozambique





↑ Fishers in the harbour of Cape Coast, Ghana

### 3. PROTECTING NATURAL RESOURCES, INTRODUCING A CIRCULAR ECONOMY WORLDWIDE

In order to avoid excessive stress on ecosystems and utilise non-renewable resources in a manner which ensures that they will still be available to future generations, a **full-scale circular economy** must be developed; this must include an increase in resource efficiency and cover all three dimensions of sustainability. Every year, the world produces around two billion tonnes of municipal solid waste. If industrial, commercial and construction waste is included, it amounts to between seven and 10 billion tonnes – on an upward trajectory. Resource-efficient production enables a proportion of this industrial and commercial waste to be avoided from the outset and resource consumption to be reduced. Both these measures make a major contribution to cutting greenhouse gas emissions.

Around two billion people worldwide still lack access to regular waste collection. Their waste is dumped illegally at the roadside or burned, causing air, soil and water pollution and posing a risk to human health and the environment. In view of today's globalised substance, product and waste cycles, international cooperation has an essential role to play in supporting the

transition from a throwaway society towards a sustainable circular economy. The **G7 Alliance on Resource Efficiency** and the **German Resource Efficiency Programme (ProgRes)** attach particular importance to market incentives, information, expert advice, education, research and innovation and to strengthening voluntary measures and initiatives by industry and society. In addition, the many informal recycling schemes which already exist should be integrated into formal systems and managed in a more professional manner.

**Water** plays a key role in the transition to a sustainable circular economy. It is the precondition for all life and is also a source of energy, a means of transport and a raw material, making it an important economic factor. In many regions, inadequate access to a safe water supply and the lack of sanitation and wastewater treatment are still main drivers of poverty, poor nutrition, disease and displacement.

## ›Cities are where the battle for sustainable development will be won or lost.<

Ban Ki-moon, former UN Secretary-General

Emissions of long-lived anthropogenic **pollutants** should be reduced to zero over the coming decades. There are already various positive precedents, such as the bans on the use of DDT (Stockholm Convention) and CFCs (Montreal

Protocol). In addition, Germany has worked for the inclusion of climate-damaging substitutes, i.e. the perfluorinated compounds (PFCs), in the Montreal Protocol alongside ozone-depleting CFCs.

### 4. MANAGING URBANISATION, PROMOTING SMART URBAN GROWTH

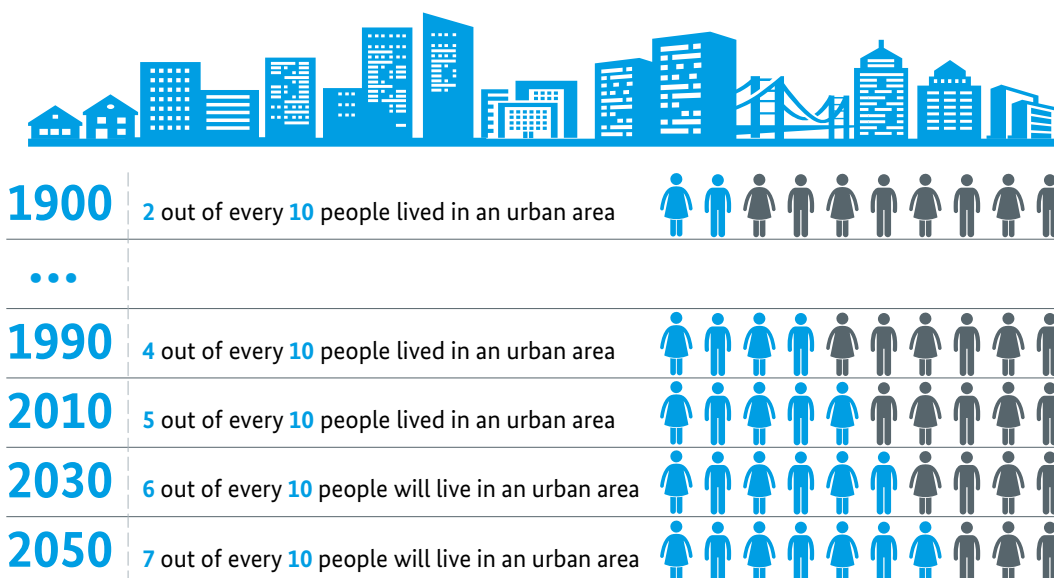
By mid-century, around two thirds of the world’s population will live in urban areas. Cities therefore play a key role in the implementation of the 2030 Agenda; indeed, more than 60% of the Agenda’s targets can be reached only with the support of the cities and municipalities.<sup>(40)</sup> Creating livable urban spaces for up to three billion more people in the narrow timeframe to 2050 is therefore a major global sustainable development challenge.

In order to master this challenge, the following actions must be taken:

→ *In view of the sheer scale and impact of global urbanisation within a very narrow timeframe, smart management that takes appropriate account of the economic, social and environmental dimensions is essential. Within the development policy framework, more action is needed to provide support for countries, regions*

(40) CITIES ALLIANCE (2015).

#### GLOBAL URBAN GROWTH\*



**Figure 15**

Today, more than half the world’s people live in cities\*; 1 billion of them are slum-dwellers

\* Defined as a settlement with a population above 100,000

Source: WHO (2010); UN HABITAT (2016).

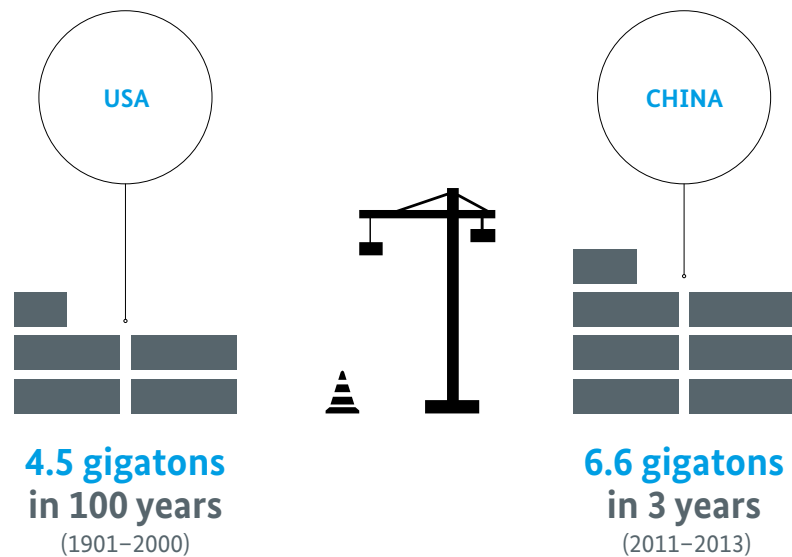


Figure 16

China used more concrete in 3 years than the US used in the 20th century.

Source: Gates, Bill (2014); USGS (2013).

## CHINA: THE WORLD'S KING OF CONCRETE



and cities through policy advice, funding and direct investment in **planning and creating sustainable cities**. It is also important to create an enabling political and institutional environment at the local, national and international level so that cities and municipalities can fulfil their role as development actors. Regular monitoring in partner countries and reviews of progress on implementing the 2030 Agenda and the **New Urban Agenda**, adopted by the United Nations at the **Habitat III Conference** in 2016, with relevant recommendations for action being made at two- to five-year intervals, can make important contributions here.

→ **Infrastructures** (transport, buildings, energy, water and sanitation, and waste disposal) have an impact that lasts long into the future. The systems built in the next few decades will determine the level of emissions, resource consumption, energy and transport pathways far beyond 2050. Infrastructure planning therefore requires a long-term view, based on reliable data and with sufficient flexibility to allow an adequate response to as yet unforeseen changes. Only if **leapfrogging strategies** are implemented and integrated solutions across sectors and spaces are developed

will it be possible to comply with planetary boundaries and to close supply gaps.

→ **Sustainable urban development** not only means access to water, energy, adequate and healthy food, education and health infrastructures: it must clearly be **equitable and needs-based** as well. While it is important to protect the environment, climate and resources, this should not be achieved at the expense of the poorest and most marginalised groups within society. Urban mobility must be planned in such a way that it offers reliable and affordable access to markets, jobs, education, healthcare and opportunities for participation in society and in planning and decision-making processes for all demographic groups.

→ Development policy must step up its engagement for **good governance at the local level**. This includes establishing an enabling legal environment for local governance in accordance with the subsidiarity principle, and strengthening cooperation across the national, regional and local levels. Here, Germany, as a federal state, can make an effective contribution by sharing its experience. Urban development is



“**Leapfrogging**” means the adoption of modern systems without going through intermediary technological and institutional steps, thus bypassing the industrialised countries’ lifestyles. Very few telephone cables have been laid in many developing countries, for example, as the public has leapfrogged this 20th-century technology by embracing mobile telephony.



↑ Road traffic in Khulna, Bangladesh



↑ A view of the city of Addis Ababa, Ethiopia

*a product of the interactions of many different stakeholders. Learning processes and sharing of knowledge among all stakeholders (municipal governments, experts, civil society, the private sector, the scientific and research community, etc.)*

*must therefore be supported. Alliances and interfaces between private and municipal enterprises in partner countries and in Europe and Germany must also be expanded.*

### **BERLIN RECOMMENDATIONS FOR THE CITIES OF TOMORROW**

The Berlin Recommendations were developed by around 1,000 attendees from 74 countries at the German Habitat Forum in Berlin and were adopted on 2 June 2016. The Recommendations are suggested as inputs for the Habitat III process, which culminated in the adoption of the New Urban Agenda in Quito, Ecuador, in October 2016:

In our vision, cities:

- will be guarantors of quality of life for all,
- contribute to achieving prosperity for all,
- lead in attaining a sustainable and decarbonised world, and
- strengthen rural-urban linkages and support food security.

In order to make this vision a reality, **six priority areas for action** are identified:

1. Empower cities as actors to achieve the 2030 Agenda and Paris Agreement
2. Initiate transformative approaches for sustainable urban development
3. Strengthen the enabling institutional, legal and financial frameworks for cities
4. Create opportunities for engagement and initiate partnerships for implementation
5. Focus the follow-up of the New Urban Agenda on policy dialogue and learning
6. Give more voice to cities in global urban governance.





## 1.3.3

**ROADMAP 3****PROMOTING DEVELOPMENT OPPORTUNITIES, MITIGATING THE CAUSES OF DISPLACEMENT, SAFEGUARDING PEACE**

The displacement of more than one million people from the MENA region, Africa and Asia to Europe in 2015 clearly showed that the problems of weak and failing states do not stop at our borders. In most cases, armed conflict, oppression and persecution by the state or non-state actors are the direct causes of displacement. Very often, however, there are underlying structural factors, such as state failure, poverty, inequality, a lack of prospects for the future, and climate change. Mitigating the structural causes of displacement over the medium to long term is a key development policy task. In countries at risk of or affected by conflict, measures must therefore focus on education, sustainable economic development, health and good governance in addition to crisis prevention, conflict management, peacebuilding and stabilisation. Partner country ownership must be demanded and the realisation of human rights and good governance promoted in order to combat the structural and direct causes of displacement. In order to facilitate an effective response to the additional challenges posed by refugee movements, receiving and transit countries should be given targeted support, aimed at maintaining their stability, e.g. through the delivery of basic services.

As the causes of displacement show, **fragile statehood** can take diverse forms. Fragility does not just mean that a state's performance in controlling or curbing violence is weak. It can also mean that the state is unable to provide basic services or that it lacks legitimacy and public trust.

Even in fragile and conflict settings, partner country ownership must be demanded and the private sector involved to a greater extent. In all contexts of fragility, this means putting topics such as good governance, capacity building for public service provision, private sector promotion and employment at the heart of German development cooperation.

As the various dimensions of fragility show, peace, security and sustainable development can only be achieved by means of an integrated approach which establishes coherence between foreign, development and security policy. Germany is willing to take on more responsibility for peace, and development cooperation will play an important role in this context.



## 1. PREVENTING VIOLENT CONFLICTS FROM ERUPTING, MANAGING CRISES: DEVELOPMENT PROSPECTS FOR PEACE

Building peace means creating development prospects. This is the essential prerequisite for more security, peace and prosperity worldwide.

The goal must be **comprehensive human security** as the basis for more prosperity for all; this also helps to prevent conflicts. In order to achieve this objective, there must be coherence across all relevant policy areas (primarily development, foreign, European, economic, home affairs, security, human rights, research, climate and environmental policy), combined with short- and long-term measures in an integrated approach that is oriented towards sustainable development.

As stated in the White Paper on German Security Policy and the Future of the Bundeswehr, in order to develop strategic capacity, the German Government is committed to ensuring that, in accordance with the principle of ministerial autonomy, the **Federal Security Council** more consistently addresses strategic issues and resulting threat scenarios in order to further strengthen its role as a provider of strategic stimulus.



Peace-oriented policy also requires a **restrained and responsible approach to armaments policy**. In order to improve its verification of the final destination of exports of military equipment in future, the German Government is introducing an effective system of **post-shipment controls**, coupled with strict application of its Small Arms Principles.

Effective **crisis prevention** has the highest priority. Wherever possible, this will take place in coordination and cooperation with our European and international partners. Germany will therefore continue to intensify its bilateral engagement, its role in the EU, its work with the United Nations and its support for regional organisations such as the North Atlantic Treaty Organization (NATO), the Organization for Security and Co-operation in Europe (OSCE) and the African Union (AU). This applies particularly to regional governance institutions that can make a substantial contribution in addressing the causes of conflict. It is also important to continue to strengthen international peacebuilding mechanisms and to intensify cooperation with fragile states through the International Dialogue on Peacebuilding and Statebuilding.

Creating security, stability and economic and social development will take generations and requires **long-term thinking and action**. This must be based on **joined-up thinking** about **all the various phases of the conflict cycle** (early warning, conflict management, crisis prevention and post-conflict rehabilitation).

Long-term action – for the German Government as a whole – means **creating development prospects**. It means timely and targeted intervention to stabilise the situation when a crisis is emerging, and, if a crisis has already occurred, improving the linkage between short-, medium- and long-term measures such as humanitarian relief, transitional aid, development cooperation and, should this be necessary, military intervention. Longer-term support for reconstruction (capacity development, Civil Peace Service (CPS) projects) must be strengthened. It is important to allow enough time for these various measures to have an effect: experience has shown that post-conflict societies generally take 15–30 years to establish functioning structures. Long-term



In order to improve end-use verification for military equipment exported from Germany, such as small arms, the Federal Cabinet decided in July 2015 to introduce **post-shipment controls** in third countries on a pilot basis. These controls apply to specific German arms exports to third countries. The controls are intended to verify whether the weapons supplied are still in the country of destination in the possession of the end-user cited in the end-use statement. If it is found that violations of the end-use statement have taken place, or if the carrying out of agreed on-the-spot controls is refused, the country of destination will in principle be excluded from deliveries of further war weapons and other military equipment until the problem has been resolved.

### THE GERMAN GOVERNMENT'S FORTHCOMING GUIDELINES ON [CIVILIAN] CRISIS ENGAGEMENT AND PEACEBUILDING (WORKING TITLE)

Preventing new crises, resolving existing conflicts, stabilising crisis regions and building a positive peace – these are some of the key challenges facing Germany today. But are we doing the right things to overcome these challenges?

Germany is confronted with a growing number of crises and violent conflicts, many of which are in Europe's immediate neighbourhood. In order to be able to play a role earlier, more decisively and more tangibly in building peace and preventing and overcoming crises, the German

Government, under the Federal Foreign Office's lead, will draw up new guidelines by the spring of 2017. With PeaceLab2016 – A Fresh Look at Crisis Prevention as its theme, it will also include input from civil society and interested members of the public. The guidelines will reflect a comprehensive understanding of peace. Now more than ever, engagement for peace requires an interministerial response based on an integrated approach.



action also means **more forward-looking, flexible and targeted action**. As the recent crises in Ukraine and the Arab world have shown, conflicts can simmer for years and then suddenly erupt into violence. Early warning is therefore required, along with flexible and targeted response mechanisms at the diplomatic, security and development policy level. For example, models for rapid deployment of experts for early detection and prevention of crises and for conflict management must be developed.

The major development challenges facing fragile states can only be solved by mobilising the potential of civil society and the private sector in partner countries through targeted capacity building and participation. Problems can only be solved locally, so German development policy focuses especially on **partners at this level**. In countries where state structures are

weak, non-existent or do not enjoy the public's confidence, local NGOs, churches or councils can reach people via their networks and advance peace and dialogue processes. It is important, therefore, to support these partners' work by deploying peace experts and volunteers.

## 2. DEMANDING AND PROMOTING GOOD GOVERNANCE

Governance – the way in which a state makes decisions, formulates and implements policy content and delivers collective goods – crucially determines citizens' wellbeing. Good governance – the responsible exercise of state power in accordance with the principles of **legitimacy, transparency** and **accountability** – is a prerequisite for constructive, non-violent and sustainable solutions to development challenges and conflicts. Independent media, a strong civil society and a properly functioning separation of powers work as a catalyst for sustainable development, not only in fragile states and regions but in all societies worldwide. Development cooperation – particularly in countries with weak governance – also requires a **pro-active response to systemic corruption**. If corruption is institutionalised in state structures through informal networks or if private interests impede reforms that are desirable from a development policy perspective, this is a barrier not only to sustainable development but also to the effective deployment of available funds.

Through its development policy, Germany therefore focuses intensively on its partner countries' susceptibility to corruption and their governance structures and applies the **principle of incentives and demands**. In its regular development policy dialogues with partner governments, Germany **calls** for respect for human rights and compliance with good governance principles, linking these demands to the way in which it provides support. It also **encourages** partner countries to make their own efforts to improve their governance performance. This approach is based on three principles:

1. *The promotion of good governance, human rights and democracy are **goals** of Germany's value-based development policy. Universal principles and values, and their realisation, are at its heart. The commitment to promoting peaceful and inclusive societies is defined as a separate goal in the 2030 Agenda, to be implemented at both national and international level.*
2. *Good governance is **the basis** for the attainment of the other Sustainable Development Goals set out in the 2030 Agenda and is also a key prerequisite for peace and security. The 2030 Agenda's comprehensive ambition – namely transforming our world – will require better governance in all sectors and at all levels.*
3. *Good governance, both nationally and globally, plays a key role in the effective **implementation of the 2030 Agenda** with well-functioning review and follow-up mechanisms. German development policy is guided by analyses of partner countries' governance situation and tailors its programmes to local conditions. In this way, a contribution can be made, directly or indirectly, to improving governance even in difficult contexts.*



→ Event to promote the SDGs, especially SDG 16 – Peace, Justice and Strong Institutions, in Barlonyo, Uganda



### 3. THE CHALLENGE: DISPLACEMENT AND FRAGILITY – PROTECTING, RESPECTING AND FULFILLING HUMAN RIGHTS

A life in dignity and freedom for all is only possible if the civil, political, economic, social and cultural **rights** of every individual and community are realised to an adequate extent. Human rights are thus the basis for, and the ultimate goal of, sustainable development. Respect for, and protection and fulfilment of, human rights are a guiding principle for German development policy.

Developments over recent years, such as the worsening of armed conflicts and the global refugee and migration movements, pose substantial risks to human rights. At the same time, the causes of these developments lie to a substantial extent in abuses and inadequate fulfilment of human rights.

People living in fragile states and regions are particularly affected by human rights abuses, as their governments do not guarantee human security to an adequate extent. This means that protection and compensation mechanisms are often ineffective. Supporting the consistent application of the human rights-based approach

and good governance is therefore a key element of German development policy, particularly in highly sensitive fragile contexts.

The term “refugee” is defined in the Geneva Refugee Convention. The **law distinguishes between refugees and migrants**. Furthermore, a clear distinction must be made between forced and voluntary migration. Forced migration is a response to a threat to physical or psychological integrity. Its extreme form, displacement, is triggered mainly by war, (generalised) violence or large-scale human rights violations. Famines or natural disasters can also trigger forced migration. All other forms of migration have much more of a voluntary dimension.



↑ A Somali woman in the Dadaab refugee camp in Kenya



### EU MIGRATION PARTNERSHIPS WITH COUNTRIES OF ORIGIN AND TRANSIT

A key element of the EU's Global Approach to Migration and Mobility is the work on migration partnerships with countries of origin and transit. On 28 June 2016, as part of its Global Approach and building on the European Agenda on Migration, the European Council adopted a framework for EU migration partnerships, initially with five countries of origin and transit in Africa – Ethiopia, Mali, Niger, Nigeria and Senegal. Through a cooperative approach, the aim is to

prevent illegal migration, to combat its root causes and to pursue specific and measurable results in terms of returns of irregular migrants. Germany is intensively involved in shaping the EU's migration partnerships and, in cooperation with France and Italy, is assuming responsibility for supporting Niger and Mali in particular.

### MAJOR SOURCE AND HOST COUNTRIES OF REFUGEES (END-2015)

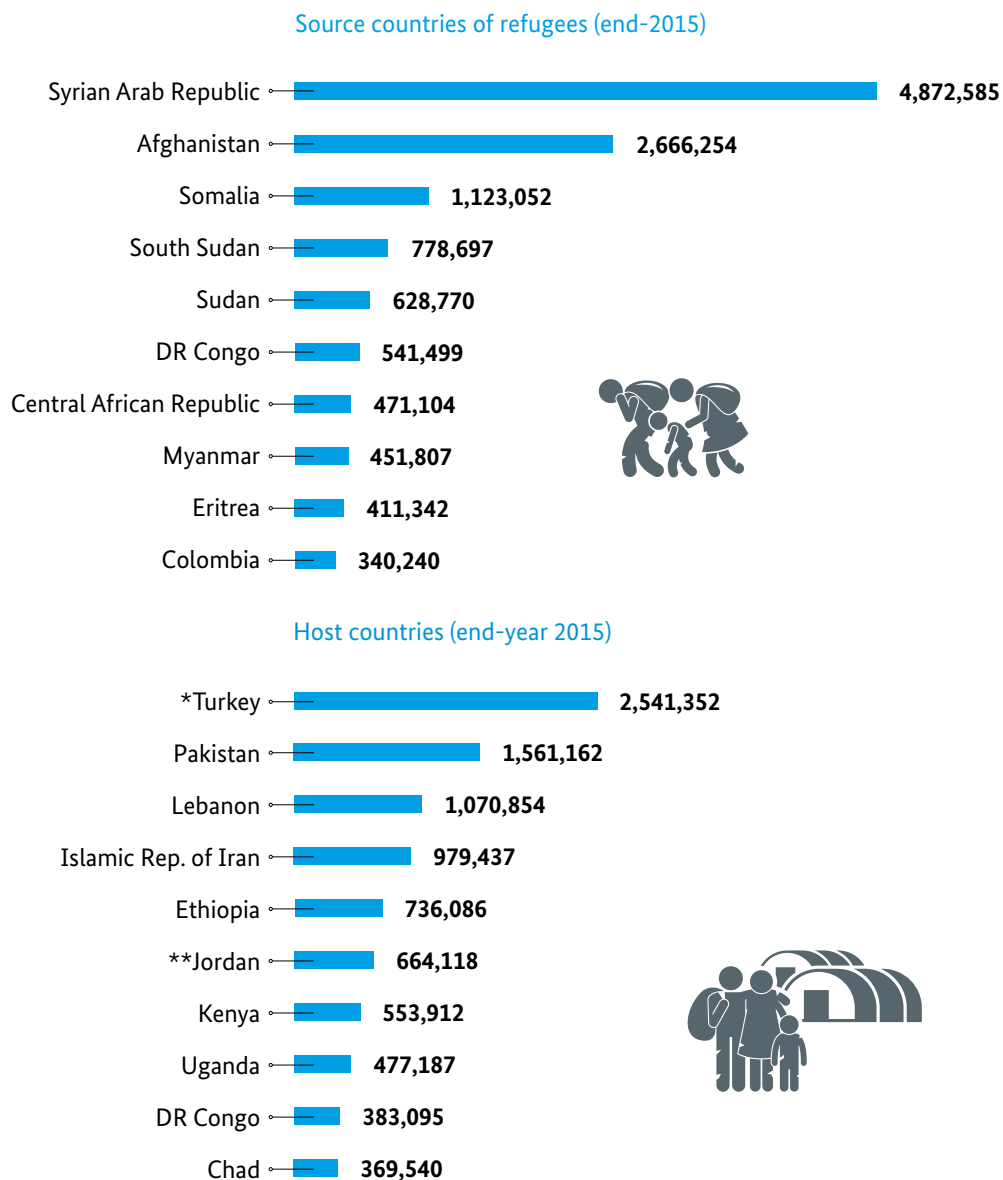


Figure 17

The majority of refugees are hosted by developing countries. From 1980 to 2013, Afghanistan was the main source country of refugees but was overtaken by Syria in 2014.

\* Refugee figure for Syrians in Turkey is a government estimate

\*\* Includes 33,300 Iraqi refugees registered with UNHCR in Jordan. The Government of Jordan estimates the number of Iraqis at 400,000 individuals. This includes registered refugees and other categories of Iraqis.

Source: UNHCR (2016).



Figure 18

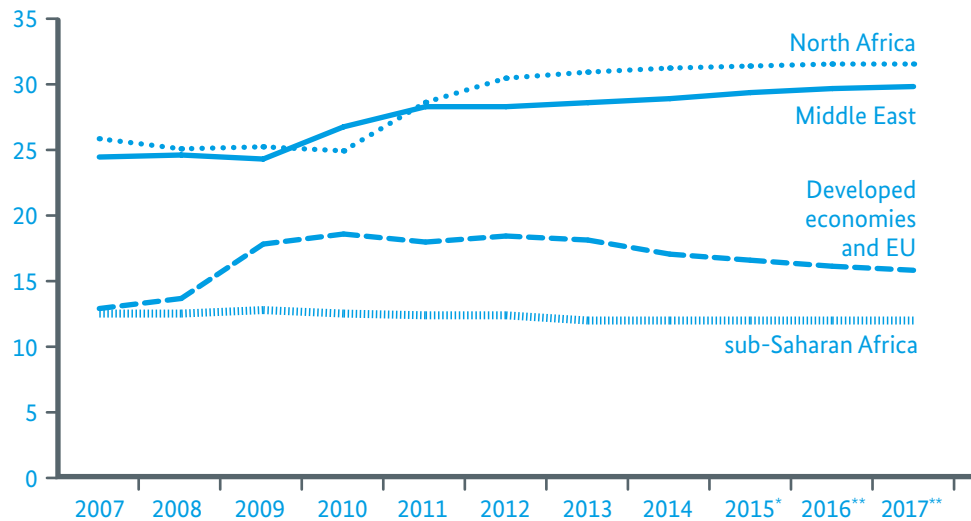
In the countries of North Africa and the Arabian Peninsula, almost one person in three aged 15–24 years is unemployed. Worldwide, more than 73 million young people are seeking work.

\* Estimate

\*\* Projected

Source: ILO (2015).

## YOUTH UNEMPLOYMENT RATES (%) BY REGION



In order to offer improved support to people who wish to return to their home countries or who have no prospect of remaining in Germany, the German Government is intensifying its efforts in the field of voluntary return and reintegration. Under a **joint initiative launched by the BMZ and the Federal Ministry of the Interior (BMI)**, the existing advice and outreach services for refugees in Germany who wish to return to their home countries are linked in with training and employment programmes provided through bilateral development cooperation in partner countries. The aim is to encourage voluntary return by offering practical assistance during the early stages of reintegration in the country of origin.

Through its development and foreign policy, Germany will also intensify its efforts to promote **rights-based protection for refugees and displaced persons**, with a particular focus on facilitating access to education and employment, food and adequate housing, and physical and mental health services, including treatment for traumatised people and survivors of sexual violence. As a step towards rebuilding livelihoods, income generation schemes, including large-scale cash-for-work programmes, are being established in the host countries neighbouring Syria. The aim is to improve the provision of basic services for all stakeholders,

i. e. people in migration situations and host communities alike. In the medium to long term, access to rights, including the right to work, is essential for progress on integration. The government institutions responsible for delivering these services (“duty bearers”) should be given targeted support. The specific needs of women and children will also be considered in all refugee relief, reintegration and reconstruction programmes. In addition, existing refugee and migration programmes should be enhanced and should focus on the specific needs of children and young people.



## ROADMAP 4 CREATING A FAIRER WORLD ECONOMY

The economy is the driver of prosperity and development. A flourishing economy and trade, combined with sustainable investment by the local and international private sector, can reduce poverty and create **employment and prospects for the future**.

Enabling all the world's people to share equitably in these welfare gains is only possible, however, with a new model of prosperity. The 2030 Agenda obliges all the world's countries to embark on the transition to an environmentally sound, less resource-intensive global economy which also offers solutions to the challenges facing society: poverty, hunger, inequality and poor working conditions.

This requires a **twofold decoupling of growth** – from resource consumption, environmental degradation and climate-damaging production processes; and from production conditions that are incompatible with human dignity.

However, many developing countries, especially in Africa, have derived little benefit from the economic progress achieved over the past 25 years, so they need to be better integrated into the international economic and trade system and have the opportunity to boost value added. German development policy fosters sustainable economic growth in its partner countries with a range of measures, including policy advice, private sector promotion, financial system development, vocational training and employment programmes.

### 1. FACILITATING FAIR TRADE, EXPANDING TECHNOLOGY TRANSFER

The 2030 Agenda aims to establish a fair, equitable and sustainable multilateral trading system. Germany will fulfil its role as a sustainable development pioneer and will initiate appropriate reforms in cooperation with other EU member states (and partner countries). Technical and administrative barriers to trade continue to impede access to international markets, especially for developing countries – often to a greater extent than customs duties or quotas. Small and medium-sized enterprises (SMEs) are particularly affected. The **Global Alliance for Trade Facilitation** assists developing countries to reform their customs procedures within the framework of the WTO's Trade Facilitation Agreement

(TFA) and supports expedited ratification of the Agreement. In the Global Alliance, international donors work together with the private sector. Implementation of the TFA can help to reduce costs in international trade and thus maintain or create jobs in developing countries.

The **development of infrastructure** (metrology, standardisation and accreditation) also plays an important role. High-quality infrastructure creates opportunities for trade and improves conditions in developing countries. As the second largest donor, Germany is supporting the development of global productive capacities through Aid for Trade.

After years of limiting its focus to the Doha Development Agenda, where progress is slow, the **World Trade Organization (WTO)** must be strengthened as a matter of urgency and, as the main multilateral forum for world trade, must address new thematic areas that correspond to the Sustainable Development Goals (SDGs) set out in the 2030 Agenda. This will require plurilateral, regional and bilateral trade agreements to be transparent, to take account of diverse development interests and to be designed in a manner which is conducive to future multilateralisation. In this context, the German Government is working for the mainstreaming of sustainability standards in the world trade system based, for example, on the systematic inclusion of ambitious sustainability provisions in all trade agreement or even the negotiation of separate chapters on this topic by states parties. In order to achieve effective and pro-active participation by the developing countries, further capacity building is required; this should be delivered through technical cooperation. The German Government therefore continues

to support the developing countries' participation in the WTO's multilateral negotiations by making a voluntary annual contribution to the **Doha Development Agenda Global Trust Fund (DDAGTF)**.

In order to ensure that the developing countries, particularly the LDCs, benefit equally from the WTO's rules-based trade system, the German Government supports their accession to the WTO and welcomes Laos, Yemen, Liberia and Afghanistan as new members. Looking beyond the trade and economic policy aspects, the German Government takes the view that this will help to stabilise peace and security at both domestic and regional level.

At the EU level, Germany, through its development policy, will work for swift implementation of the **trade and investment strategy, entitled Trade for All**, adopted in October 2015, with a particular emphasis on trade and development policy coherence. From a development policy perspective, simple and flexible rules of origin in trade agreements and in unilateral systems of preferences do much to improve the developing countries' position in global supply chains, for example. At the same time, the developing countries must have sufficient political scope to develop their own industries and protect sensitive sectors. In the BMZ's view, the option of creating more linkage between the Generalised Scheme of Preferences (GSP+) and voluntary private standards and quality seals is worth exploring.

The EU should conduct independent **Sustainability Impact Assessments (SIAs)** to identify, at an early stage, any implications that bilateral and regional trade agreements may have for developing countries so that these impacts may be taken into consideration in negotiations. In the future multilateralisation of trade agreements, it is important to ensure that appropriate transitional arrangements are granted to the developing countries.

In negotiations on the EU's preferential trade agreements that have significant impacts on developing countries, it may be appropriate to hold **consultations with relevant third-party developing country governments**. In order to achieve effective and pro-active participation by the developing countries, further capacity building is required; this should be delivered through technical cooperation.



↑ Presentation of the study "Does Fair Trade change society?" with Minister Gerd Müller, Andrea Fütterer (Chair of the Fair Trade Forum), Dieter Overath (Chair of Transfair) and Klaus Seitz (Policy Head of Bread for the World), at the BMZ's stand at the 2017 Green Week in Berlin



The implementation of free trade and investment agreements should in all cases be supported by effective **monitoring mechanisms**. Complementary measures delivered through technical cooperation may support more consistent application of these mechanisms. This can reinforce their positive impacts and facilitate the early detection of potentially negative effects, thus enabling appropriate counter-measures to be taken. Conflicts of interest should always be identified in advance. The various interest group representatives, particularly civil society and the private sector, have a key role to play in implementation and monitoring.

The **monitoring and grievance mechanisms** associated with free trade agreements should be strengthened, and such mechanisms should be established on an independent basis. This was achieved for the Generalised Scheme of Preferences (GSP+) with the 2014 reform. The application and implementation of the mechanisms should be addressed as part of the 2017 review process.

Subsidies which have a particularly negative effect on developing countries and on the environment and climate should be abolished, firstly on an EU-wide basis and then globally. Prime examples are the subsidies for fossil fuels and various agricultural raw materials. **Policy coherence** is essential for the implementation of trade and investment agreements in a manner conducive to development. In other words, effective trade policy implementation also requires the adoption of complementary measures in related areas, such as economic and fiscal policy.

**The flexibilities for developing countries, provided for in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement)** are an expression of the principle that the harmonisation of trade rules must take appropriate account of the justified interests of all WTO member states. Through its development policy, Germany is working to ensure that developing countries are genuinely able to utilise these flexibilities to the necessary extent, for example in order to guarantee access to medicines for their citizens.

Implementation of the 2030 Agenda will require the application of science, technology and innovation. Developing countries must therefore participate more fully in technological progress.



Through its development policy, Germany is therefore working for the establishment of appropriate institutions that promote the transfer of knowledge and technology, for example by supporting the international initiative, established in the **Addis Ababa Action Agenda (AAAA)** framework, to set up a **Technology Facilitation Mechanism** and **Technology Bank** for the Least Developed Countries. The fields of agriculture and medicine should be a particular focus of attention in this context.

## 2. PROMOTING SUSTAINABLE PRODUCTION AND CONSUMPTION PATTERNS

In this era of globalisation, increasingly complex supply and trade chains span the entire world. In the majority of industries, manufacturing is now organised across national borders and continents. For cost reasons, the labour-intensive steps in the manufacturing process are often performed in countries with poor social and environmental standards. As a result, some supply chains are characterised by precarious working conditions, severe environmental pollution and human rights abuses.

The German Government is therefore working with all stakeholders at the national and international level and with partner countries **to increase transparency in global supply chains**, improve the **realisation of human rights and social and environmental standards**, **combat corruption** and promote **more sustainable consumption and production patterns**. Development policy also has a role to play in aligning legal and institutional frameworks and general conditions to sustainability principles and in incentivising and demanding corporate responsibility.

The German Government is working for equitable and sustainable production and supply chains:

### A) IN GERMANY AND EUROPE

Producer countries receive support, through capacity building measures, in introducing and achieving compliance with environmental and social standards. In order to develop solutions and monitoring procedures, the German Government has been supporting multi-stakeholder initiatives in various sectors for some time. One example is the **Sustainable Cocoa Forum**, a joint initiative involving the BMZ, the Federal Minis-

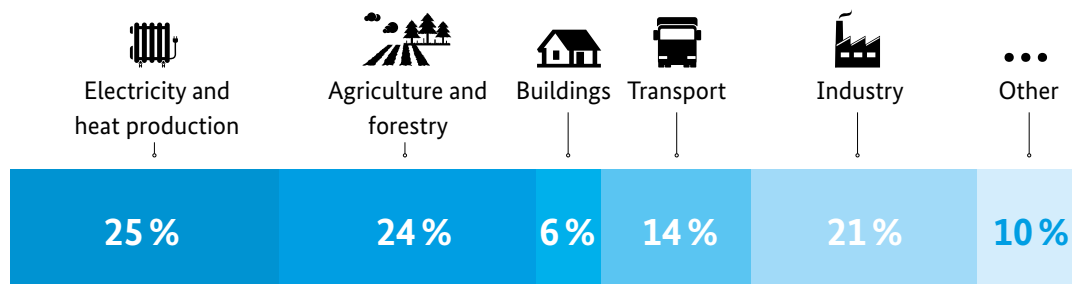
try of Food and Agriculture (BMEL), civil society, the confectionery industry, the food sector and partner countries. The Forum advocates for improved living and working conditions for cocoa farmers and for sustainable cocoa production.

The **Partnership for Sustainable Textiles** launched by the BMZ establishes a mandatory requirement for compliance with sustainability standards and for corporate responsibility in the textiles and garment industry. All members of the Partnership are required to comply with its social and environmental standards. In order to ensure that continuous improvements are achieved, members undergo a review process, which is conducted by an independent third party. They also draw up individual roadmaps on an annual basis, initially by the end of January 2017. A robust sanction mechanism and regular reporting on progress on the roadmaps guarantee credibility and transparency. The Partnership also provides a mandatory framework and independent verification system at the international level.



**Figure 19**  
Anthropogenic CO<sub>2</sub> emissions are the main cause of the greenhouse effect but other climate gases such as methane are also drivers of global warming.

### TOTAL GHG EMISSIONS BY SECTOR



Source: IPCC (2014a).

*›If rich nations paid fair prices to developing countries for their products, there would no longer be any need for aid and relief projects.<*

Dom Hélder Pessoa Câmara, former Brazilian Roman Catholic Archbishop

Sustainable consumption and production are two sides of the same coin and are integral elements of a sustainable supply chain. Consumption in Germany and the industrialised countries is often driven by low prices. The aim must be to bring about a **shift in values towards more sustainable consumption** in these countries. The German Government can lead by example: the German public sector accounts for procurement worth around EUR 300 billion annually and can thus exert considerable influence on production conditions and market structures. **Public procurement** is thus a powerful lever in achieving an equitable and sustainable economy. In the **National Sustainability Strategy**, the **Sustainability Measures Programme** and the **National Programme for Sustainable Consumption**, the German Government has set itself ambitious targets; for example, by 2020, 50% of textiles (with the exception of special textiles) must be procured in accordance with environmental and social criteria.

A sustainable economy also means that the real social and environmental production and consumption costs of goods and services should be reflected in the prices.

#### **B) WITH PARTNER COUNTRIES**

Partner country governments are supported in aligning their economic and social policies more consistently to human rights and sustainability standards. New producer countries entering the world market should, from the outset, receive support in achieving compliance with environmental and social standards. The German Government considers that it is important for developing countries and emerging economies to prepare **national action plans on business and human rights**, and will utilise existing

opportunities to facilitate these processes, e.g. by supporting national human rights institutions.

German development policy will also intensify the dialogue between governments and the business community, trade unions and civil society on topics such as vocational training, environmental conservation, workplace health and safety and fair wages in partner countries. This dialogue builds mutual understanding and facilitates a coordinated approach and the development of joint long-term solutions. Projects which assist businesses, producers and smallholder farmers to implement sustainability standards and integrate into supply chains will also be expanded.

In order to give workers who believe that their rights have been violated through the actions of a German company abroad an understanding of the legal remedies available under German civil law, the German Government will develop multilingual information and make it available in an appropriate format.

#### **C) AT THE INTERNATIONAL LEVEL**

German development policy will continue to support reforms of international institutions with the aim of strengthening their comparative advantages, thus enhancing their effectiveness in promoting sustainable development. During its G7 Presidency, the German Government gave prominence to the issue of **sustainable global supply chains** and adopted a number of key decisions in this context. In October 2015, the G7 employment and development ministers adopted the **Action for Fair Production** programme, which defines various practical measures which must now continue to be implemented. This includes supporting transparency initiatives

for sustainable consumption and production, multi-stakeholder alliances, capacity building in developing countries with a focus on issues such as workplace health and safety, and improved access to grievance mechanisms. During the German G20 Presidency in 2017, a further task will be to progressively integrate the topic of sustainable supply chains, the 2030 Agenda and the Sustainable Development Goals into this wider group.

At the EU level, the German Government is working with other member states on a Community-wide initiative which aims to improve working and environmental conditions in the textiles and garment industry (**EU Garment Initiative**). The German Government's main objective, in this context, is to create synergies at the EU level and facilitate a coordinated approach by member states, particularly in relation to practical measures in producer countries.

### 3. MOBILISING PRIVATE FINANCE AND INVESTMENT FOR SUSTAINABLE DEVELOPMENT – “FROM BILLIONS TO TRILLIONS”

The investment needed to implement the 2030 Agenda runs into trillions. Public funds will not be enough; instead, all available sources of funding – national and international, public and private – must be mobilised. One of the tasks for development policy is therefore to create an enabling environment for investment, for inclusive and stable financial systems and for a private sector that is geared towards sustainability.

In this context, strategic partnerships with Africa are gaining in significance. The BMZ has therefore developed proposals for a **Marshall Plan with Africa**, which will be elaborated in 2017 with partners from Africa, civil society and other stakeholders.

With the **Compact with Africa** initiative, part of a broad-based partnership involving the G20, African countries and international organisa-

tions, the topic also features on the agenda for the German G20 Presidency. The Compact is long-term in focus, offers all African countries opportunities for cooperation and aims to boost private and infrastructural investment in Africa.

In addition, through its development policy, Germany aims to achieve the following objectives:

#### A) USING PUBLIC FUNDS TO LEVERAGE PRIVATE INVESTMENT IN SUSTAINABILITY

Innovative financial instruments such as structured funds have proved successful in the past in leveraging private investment for development purposes. Public funds act as an incentive and are used to cushion the risk for private investors. Until now, structured funds have mainly been used to promote small and medium-sized enterprises (SMEs). However, their use for other purposes, such as the financing of health, agriculture, microinsurance and climate risk insurance, is gaining in significance. More efforts must be made in future to secure **private investment for major infrastructure projects and renewables expansion in developing countries and emerging economies**. This will require, firstly, a willingness on the part of public sector donors and development banks to invest in projects that are large enough to attract institutional investors as well. And secondly, **adequate safeguards** must be put in place to attract risk-averse investors, such as insurance companies and pension funds, and increase their willingness to invest in developing countries.

There is also a lack of investment-ready projects at present. In order to create more sustainable investment opportunities in developing



↑ A wind park in Tangier, Morocco



SHIPPING AND SULPHUR OXIDE POLLUTION

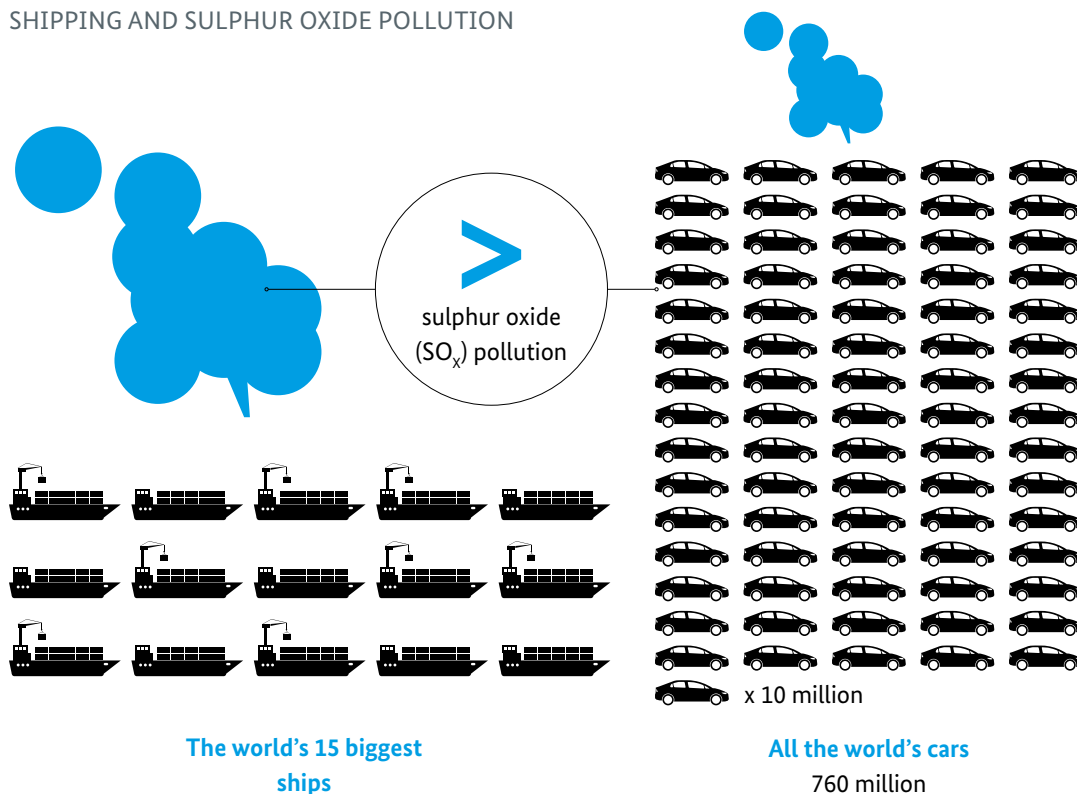


Figure 20

In 2013, 15 of the world's biggest ships produced more sulphur oxide (SO<sub>x</sub>) pollution than all the world's cars. Sulphur dioxide causes acid rain, which damages forest and aquatic ecosystems, infrastructure and buildings.

Source: NABU (2012).



With the deployment of development cooperation **scouts**, the BMZ is placing the advisory services of experts with development know-how at the disposal of German businesses. The scouts act as development advisors and are based at business associations, foreign trade organisations and chambers of industry, commerce and trade.

In around 20 countries, **experts** placed by the Centre for International Migration and Development (CIM) are advising local and German businesses on development policy matters. The experts are integrated into the chambers of commerce and industry and focus on four priority topics: renewable energies and energy efficiency, vocational training, sustainable economic development, and capacity building for chambers.

countries, project preparation capacities must be strengthened, e.g. by establishing a **project development fund** that makes the provision of financial support dependent on success. The expansion of national investment promotion agencies and more intensive cooperation with companies in the construction, technology and energy sectors in Europe and in partner countries must also be progressed. Intergovernmental cooperation on creating an attractive political environment for prospective investors is an important flanking measure in this context. Existing approaches and mechanisms, such as the **Agency for Business and Economic Development** established in 2016, the **develoPPP**, the **Development Cooperation Scouts** programme and the deployment of **experts** at German chambers of commerce abroad also make an important contribution and must be further expanded. An additional aim is to simplify access to programmes and create more coherence between the various mechanisms.

In around 20 countries, experts placed by the Centre for International Migration and Development (CIM) are advising local and German businesses on development policy matters.

The experts are integrated into the chambers of commerce and industry and focus on four priority topics: renewable energies and energy efficiency, vocational training, sustainable economic development, and capacity building for chambers.

The promotion of small local companies in developing countries has proved to be a key driver of progress towards a social market economy. To ensure that local promotion of micro, small and medium-sized enterprises (MSMEs) continues to have leveraging effects, safeguards for this indirect investment should be considered, perhaps via the German Government's Hermes export guarantee scheme. In addition to the provision of public and private capital via various funding mechanisms, **local financial systems** must be strengthened as a whole. This includes the development of national capital markets with the aim of generating additional private investment and establishing sustainable local lending facilities.

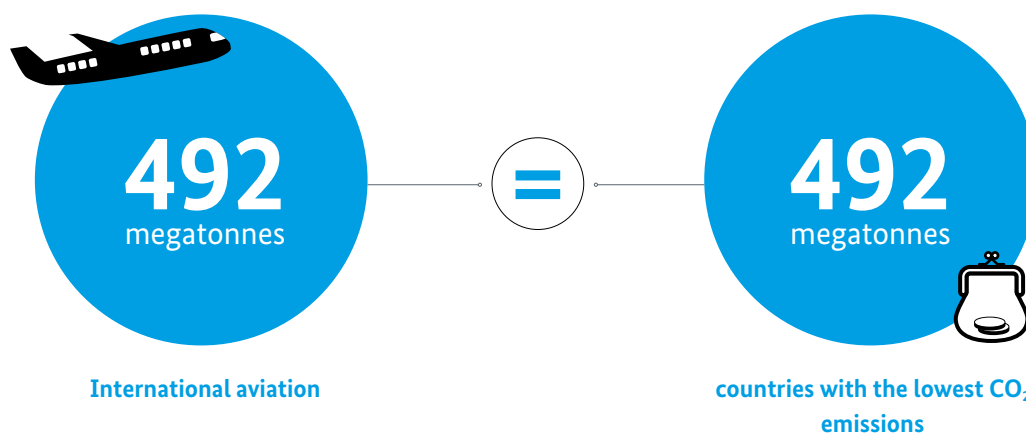


Figure 21

In 2014, international aviation emitted 492.17 megatonnes of CO<sub>2</sub> – almost equivalent to the amount produced by the 129 lowest emitting countries combined (492.03 megatonnes).

Source: EDGARv4.3 (2015).

## INTERNATIONAL AVIATION AND THE 129 COUNTRIES WITH THE LOWEST CO<sub>2</sub> EMISSIONS – A COMPARISON



The term refers to the tendency for certain carbon emissions to **persist** over the long term, currently several decades.



### Venture capital funds

invest in new companies and start-ups.

New technologies and ongoing digitalisation make it possible to turn a business idea into a reality fairly quickly and with relatively little investment. Schemes which **promote start-ups** and match young entrepreneurs with mentors, financiers and larger companies will be a growing focus of interest in future. In this context, opportunities for direct financial and technical promotion of **venture capital funds operating in developing countries** should be considered.

### B) DIRECTING INVESTMENT TOWARDS SUSTAINABILITY, CREATING CLARITY ON CLIMATE RISKS

**Effective global carbon pricing** can do much to promote greenhouse gas neutrality. The **European Union Emissions Trading System (EU ETS)**, launched in 2005, was the first transnational emissions trading scheme and is the world's largest carbon market today. The ETS is a cornerstone of the EU's policy to combat climate change. At present, the trading of emissions allowances is mandatory for companies in the energy sector, industrial installations and aviation. Via carbon pricing, trading creates incentives for emissions reductions and thus supports the attainment of national climate targets. Strengthening the **price signals from emissions trading** is therefore important. The German Government will advocate at the European level for more effectiveness and sustainable expansion of the ETS. A first important reform step was taken with the introduction of the **market stability reserve**, which will start operating in 2019.

In order to avoid any **carbon lock-in**, **no more coal-fired power plants will be built or up-graded** within the framework of German development cooperation. In the granting of export credits, particularly **stringent efficiency standards** are applied. Official export credit guarantees (Hermes) are provided in accordance with the OECD rules on export credits for coal-fired electricity generation projects, which include strict provisions on efficiency. The German Government is also working to ensure that this policy is adhered to by the multilateral development banks.

The introduction of clear and uniform **reporting standards** also plays an important role, as they provide investors and creditors with information about the climate footprint of an investment or borrower and the associated risks. Currently, investment decisions are generally based on assessments of traditional types of risk, such as the likelihood of default and the impacts of economic cycles. Risks resulting from climate change, from new mitigation requirements or from potential claims for redress from parties who have sustained climate-related damage are not taken into specific account. During its G20 Presidency, the German Government therefore advocates for implementation of the recommendations made by the Financial Stability Board's **Task Force on Climate-related Financial Disclosures**.

### C) STIMULATING SUSTAINABLE GROWTH, CREATING MORE INCENTIVES FOR INVESTMENT

The future-oriented field of green technologies and growth markets in developing countries offer great opportunities for European and German companies and investors. In order to capitalise on these opportunities and thus create economic stimulus, sustainable investment in these areas must be supported by the state and facilitated, if necessary, by appropriate reforms.

Banks and institutional investors – such as sovereign wealth funds, pension funds and insurance companies – are important potential investors in the green tech sector: they manage assets worth trillions of euros and are interested in long-term investment opportunities. In order to facilitate this process, it is essential to continue to build the capacities of financial market participants to take environmental and climate-relevant aspects into account in their investment decisions and risk management.

Various measures are required to stimulate investment in developing countries. Since 2014, the opportunity to obtain cover under the German Government’s guarantee scheme for exports to public sector clients was extended to **10 sub-Saharan African countries**. The German Government supports the business community’s engagement in developing countries and emerging economies and is willing, if necessary, to review its cover policy for other sub-Saharan African countries, especially in relation to **exports to public sector clients**. Small and medium-sized enterprises should also be given



more support in accessing finance facilities and will **require more protection against banking and exchange rate risks**. Insurance solutions that work in a similar way to the Hermes export credit guarantees offer great potential here.

In addition to building financial market participants’ capacities to take greater account of environmental and climate-relevant aspects, and alongside better guarantee/finance facilities, **double taxation agreements** with developing countries can improve the investment climate, facilitate investment and avoid a possible dual tax burden for companies and investors in developing countries. They should therefore be progressed with these aims in mind.



Senegal, Uganda, Rwanda, Côte d'Ivoire, Togo, Nigeria, Ghana, Ethiopia, Mozambique and Tanzania.



#### 4. CREATING TRANSPARENT AND REGULATED FINANCIAL FLOWS AND MARKETS

A sustainable economy needs a fair financial system. Without efforts to combat tax avoidance and tax flight, boost revenue from developing countries' own resources and create a transparent global financial system, the 2030 Agenda goals cannot be reached. According to the OECD, revenue losses from **tax avoidance by multinational corporations** are estimated at USD 100-240 billion annually; this amounts to 4-10% of global corporate income tax revenues. The adoption of the outputs of the OECD/G20 Base Erosion and Profit Shifting (BEPS) project by the G20 finance ministers in late 2015 was an important step towards fair and sustainable taxation.

The European Union has adopted these goals and plays a key role in the implementation of the outputs. Action on the recommendations resulting from the BEPS process should be global to the greatest possible extent and, together with the practical impacts, is subject to ongoing monitoring. To that end, the OECD and G20 have established the **Inclusive Framework on BEPS**, in which other emerging economies and developing countries may also participate on an equal footing. The participating countries have, furthermore, agreed to continue their work.

In addition, through its development policy, Germany aims to achieve the following objectives:

##### A) RAPID IMPLEMENTATION OF THE 10 POINT ACTION PLAN – MORE TRANSPARENCY ON BENEFICIAL COMPANY OWNERSHIP

With its 10 Point Action Plan against Tax Fraud, Tax Avoidance Schemes and Money Laundering (April 2016), the German Federal Finance Ministry has established the basis for further progress at national and international level. Two items of draft legislation which aim to improve tax transparency and combat money laundering and terrorism financing have been tabled, i.e. the draft law to combat tax evasion, and the draft law for the transposition of the Fourth EU Anti-Money Laundering Directive, the implementation of the EU Money Transfers Regulation and the reorganisation of the Central Office for Financial Transactions Investigations.

One measure is to improve national and international access to information about beneficial company ownership. In Germany and the other EU member states, this will be achieved through the introduction and networking of national transparency registers. The **extension of international information exchange** to all countries, as called for by the G20, is an effective way of combating corruption and money laundering. Here, German development policy engagement focuses primarily on technical cooperation with the aim of building developing countries' capacities to gather and process data efficiently and enforce tax chargeability.

##### B) LIMITING FOOD SPECULATION, INCREASING TRANSPARENCY AND GOVERNANCE IN AGRICULTURAL MARKETS

Commodity futures markets are an important mechanism for price setting and for the hedging of price risks for producers and consumers. In recent years, however, **agricultural commodities** have increasingly formed part of financial investment portfolios. Other factors which may affect food prices and increase volatility include low stocks, political measures such as export bans, climate change and the food-energy nexus. **Extreme food price volatility** is a particular problem for low-income groups and can worsen hunger. Food speculation should not additionally increase price risks. Through its development policy, Germany is therefore working for the implementation of the EU's revised **Markets in Financial Instruments Directive** (MiFID II; Directive 2014/65/EU), which, among other things, imposes restrictions on the speculative trading of financial products of relevance to food, increases transparency and prevents market abuse. Through its development policy, Germany is advocating at the international level for similar rules to be adopted in Asia, Latin America and Africa.



### C) REGULATING HIGH-FREQUENCY TRADING, IMPLEMENTING THE FINANCIAL TRANSACTION TAX (FTT) UNDER ENHANCED COOPERATION

The revised Markets in Financial Instruments Directive introduces harmonised EU rules on high-frequency trading as an effective response to the risks posed by this form of transaction.

As stated in the coalition agreement, the German Government is working for the introduction of a financial transaction tax on a broad

assessment basis and with a low rate of tax; this is to be achieved under enhanced cooperation among various EU member states. The financial transaction tax should, as far as possible, be applied to all financial instruments, thus ensuring that the financial sector covers an appropriate share of the costs of the financial crisis. Negative impacts on small investors, the real economy and pensions, but also undesirable shifts within the financial sector itself, should be avoided.

## 5. ADDRESSING DIGITALISATION AS A CHALLENGE AND AN OPPORTUNITY

Digitalisation – in other words, the diffusion and networking of digital technologies and services – affects all areas of politics and society. In recent years, mobile phones – and especially the numerous opportunities afforded by smartphones – have led to major social, economic and political changes in developing countries and emerging economies. German development policy will continue to promote digital innovations, not only in order to increase its own efficiency and effectiveness but also to assist our partner countries to capitalise on the opportunities created by the digital revolution.

Current trends such as big data, cargo drones, blockchain technology, digital financial services and the Internet of Things offer **great transformative potential**. Digitalisation will in future not only transform our working lives, models of production and the functioning of our markets: it will also pose challenges to rights and freedoms, equal opportunities and data protection. Data-driven supply chains, banking systems, media and markets will work in a very different way – and will be exposed to new risks such as digital industrial espionage and cybercrime. We will take action to mitigate the risks that this poses to inclusive and sustainable development. So it is important to look at the potential impacts of the technologies, to create new institutions to address the challenges associated with digitalisation, and equip the population with the skills needed for responsible management of technology in a digital world.

There are at least three levels at which digitalisation and the associated challenges are relevant to development policy:

### A) SUPPORTING PARTNER COUNTRIES' DIGITAL TRANSFORMATION

Digitalisation, automation and robotics will transform work processes worldwide over the coming years. In order to ensure that there are skills to match the job profiles that will emerge over the next few decades, massive **investment in education and training** is needed now. Literacy, knowledge of languages, programming, creativity and management skills are essential tools for access to the future labour market and social participation. **Open source production processes**, for example, enable knowledge, software and designs to be freely exchanged and refined worldwide. This will make it possible in future to manufacture key goods and spare parts quickly, locally and at low cost anywhere in the world.



↑ Using a mobile phone app for the coffee harvest in Uganda

Together with its partners, the BMZ will therefore intensify its efforts to develop locally **adapted digital educational content** on digital technologies and use e-learning to build the relevant **teaching** skills. More efforts will also be made to foster the development of **training structures for ICT-relevant occupations** in partner countries, for example through ICT graduate colleges. Through its development policy, Germany will also seek to empower women by improving their education and employment prospects in the ICT sector.

#### B) CREATING THE BASIS FOR DIGITAL PARTICIPATION

Thanks to the rapid spread of mobile telephony, millions of people in developing countries have very quickly gained access to numerous services from which they were previously excluded, or which did not exist. There are already 16 countries where more people use mobile money accounts than traditional bank accounts. The number of Internet users has increased from one billion to 3.5 billion worldwide in the last 10 years. However, more than four billion people around the world still lack reliable access to the Internet. The **digital divide** no longer merely affects access to hardware and infrastructure, but now also encompasses the availability of skills and opportunities to access digital markets. In



addition to supporting private sector initiatives aimed at building the necessary infrastructure, development policy therefore seeks to ensure that everyone gains the skills needed to make profitable use of digital technologies. Education programmes which receive support from German development cooperation will focus to a greater extent on digital skills in future. Women and girls require particular support to overcome the digital gender gap.

With increasing digitalisation, there is likely to be growing tension between freedom and security in developing countries and emerging economies. **Privacy and digital civil rights** are under threat from governments and private corporations alike. Timely and appropriate legislation on **data protection and network neutrality** is therefore an essential component of the digital transformation.

#### C) MAKING GREATER USE OF DIGITAL TECHNOLOGIES IN GERMAN DEVELOPMENT COOPERATION

Digital technologies can lead to **substantial cost savings and efficiency gains** for German development cooperation and can make it more direct and participatory. The BMZ and its implementing organisations can also benefit from new types of decentralised administrative and information processing systems. In order to actively facilitate the digital revolution, it is essential to continue to build our own human capacities and intensify cooperation with the private sector. Alongside major technology companies and IT service providers in the SME sector, **innovative start-ups** from Germany and the partner countries have a key role to play in this context.

← A vocational school in Accra, Ghana, where girls are being taught the subject Electrical Engineering



### ROADMAP 5 GLOBAL PARTNERSHIPS FOR THE 2030 AGENDA

The scale of the challenges confronting us in today's world makes it clear that the goals defined in the 2030 Agenda cannot be met without fundamental change in politics, the economy and society. This transformation will only succeed if all stakeholders work together: governments, business, civil society, the science and research community, international organisations and citizens.

The BMZ therefore promotes cooperation based on long-term **multi-stakeholder partnerships (MAPs)** as a means of achieving the goals of the 2030 Agenda. As a first step in promoting knowledge sharing and cooperation on the implementation of the Agenda, a MAP network was set up in summer 2015 and a dedicated website was launched in summer 2016.

Effective monitoring and critical review processes also offer an opportunity for shared learning and are a prerequisite for successful implementation of the 2030 Agenda. The BMZ therefore supports **Partners for Review**, a transnational multi-stakeholder network which promotes dialogue between government and non-governmental partners. The network also collates and shares knowledge to strengthen national monitoring processes for the 2030 Agenda and assists governments with their reporting to the High-Level Political Forum (HLPF), the United Nations platform responsible for reviewing the 2030 Agenda.



[www.partnerschaften2030.de/en](http://www.partnerschaften2030.de/en)

*>... we're well past the point  
of talking about "shrinking" civic space  
(...) we are in a crisis,  
and we need to re-order our approaches  
to address this crisis  
and get that space back.<*

## THE NATIONAL LEVEL

### 1. PARTNERSHIP WITH CIVIL SOCIETY

An active and effective civil society is a prerequisite for constructive relations between state and society and for citizen-centred, development-oriented governance. **Promotion of and cooperation with civil society are therefore integral elements of German development policy.** By adopting the 2030 Agenda, all countries are committed to inclusive, participatory and representative decision-making at all levels. In many countries, however, the work of non-governmental organisations is obstructed, citizens are denied their rights and political decisions are taken without reference to the will of the people.

Development policy engagement therefore promotes civil society, both through political dialogue with partner countries and through practical measures. In light of the trend observed in recent years towards massive curtailment of civil society's scope for action in many countries ("**shrinking civic space**"), Germany plans to intensify its development policy engagement in this field. In countries which show little willingness to reform or engage in dialogue, it will make more use of mechanisms that promote civil society in order to **effect**

**change from within.** This means that through its development policy, Germany will work even more intensively for a commitment from partner countries to **respect human rights** and for a prompt and appropriate response to critical or negative changes.

In Germany too, civil society organisations play a significant role in imparting information about development goals to the general public and in providing key impetus for strategic development policy processes. The BMZ's **Charter for the Future** – which maps out the direction for development policy – is based on contributions from a range of German civil society organisations. In accordance with the Charter, partnerships with civil society will continue to be expanded. Through its development policy, Germany will also provide more support for dialogue and cooperation between the private sector and civil society in order to foster mutual understanding and harness the potential for joint engagement for sustainable development. The German Government intends to establish an **annual dialogue forum** for this purpose.

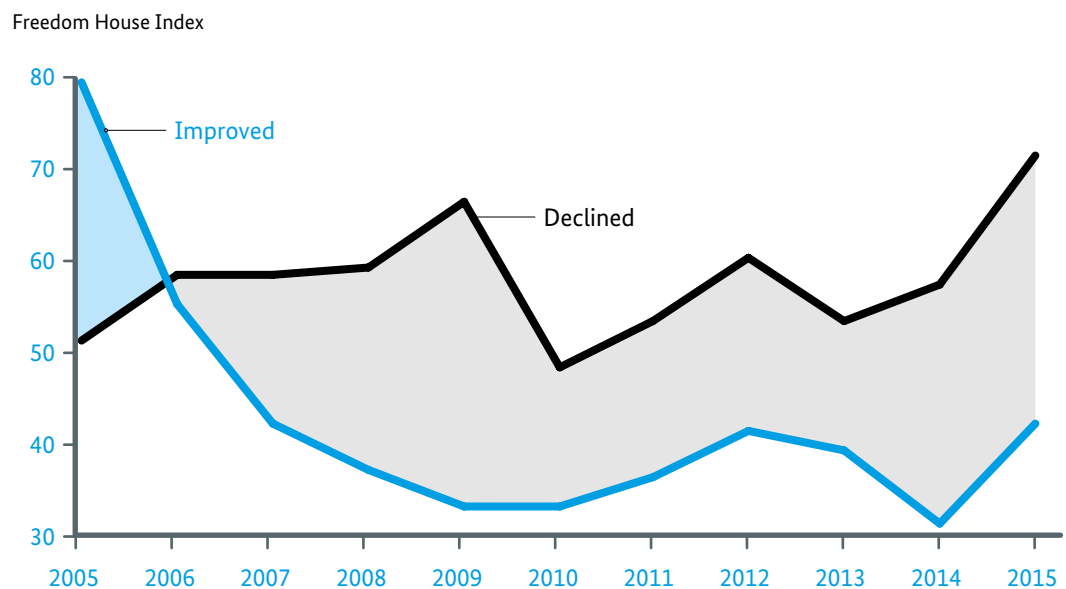


**Figure 22**

In the last 10 years, there has been a sharp decline in civil rights in many countries, with backsliding particularly visible in relation to free speech and the rule of law.

Source: FREEDOM HOUSE (2015); FREEDOM HOUSE (2016).

#### COUNTRIES WITH DECLINES AND GAINS IN CIVIL RIGHTS





The 2030 Agenda makes frequent reference to the important contributions that private donors can make in addressing future challenges. In addition to their role as funding providers, **private foundations and philanthropists** offer substantial potential in terms of research funding and

knowledge-based cooperation. German development policy aims to expand its collaboration with foundations and philanthropists and plans to deploy development cooperation scouts in the foundations' advice centres in future.

## 2. PARTNERSHIP WITH THE SCIENCE AND RESEARCH COMMUNITY

The science and research community is key to the **implementation and review** of the 2030 Agenda. As an independent partner, it plays a vital role in the development of technological and social innovations and in the efficient sharing of available knowledge. It has particular responsibility for monitoring the various implementation stages. For example, it contributes to data-gathering, development of indicators and assessment of results.

In order to influence policy-making and public debate, however, scientific findings must be more visible and presented in a way which ensures that they can be understood and utilised outside the science community as well. Research policy has an important role to play in this context.

**Access** to scientific resources and research findings is inequitably distributed worldwide. Even now, 80% of the global knowledge of relevance

to sustainable development is produced in countries which collectively host less than 20% of the world population. In order to promote **the production of shared knowledge**, it is important to involve the science and research community in partner countries more fully in the implementation and monitoring of the 2030 Agenda. To facilitate this process, development cooperation builds human, institutional and technical capacities at the local level and also promotes broader access to knowledge via **open source platforms**. As a complementary measure, **interministerial negotiations** with selected partner countries on development cooperation and on collaboration in the field of science and technology are an important mechanism in promoting knowledge-based cooperation.

In addition to capacity building in partner countries, better global networking of research centres across national and disciplinary bounda-

PATENT APPLICATIONS BY COUNTRY INCOME CATEGORY

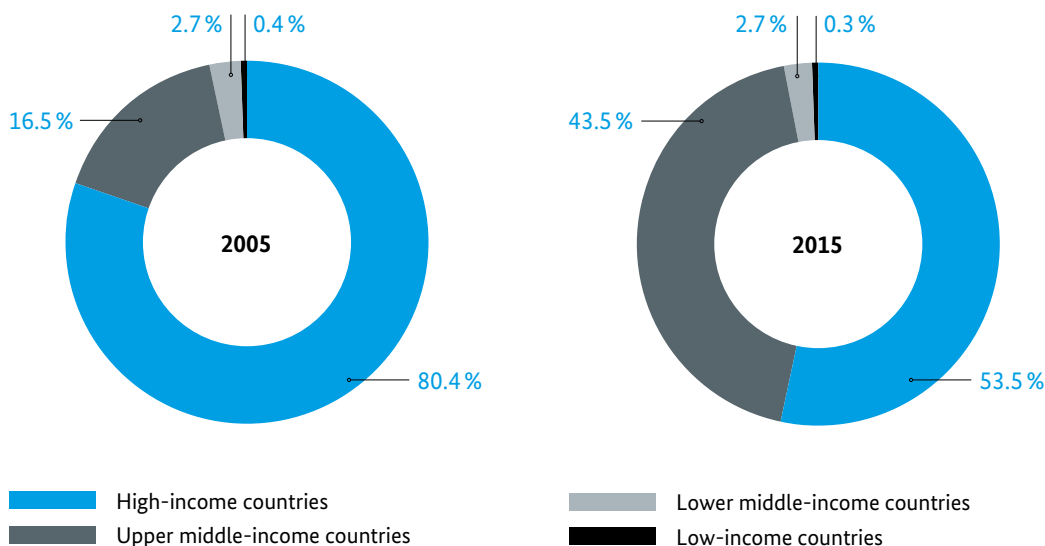


Figure 23

The number of patent applications in emerging economies has more than tripled in the last 10 years, whereas patent applications have stalled at a low level in the developing countries.

Source: WIPO (2016).



ries is required. One example of an international network which is already receiving support from the BMZ is the **Sustainable Development Solutions Network (SDSN)** launched by the former United Nations Secretary-General Ban Ki-moon in 2012. The network promotes practical problem-solving with a focus on implementation of the 2030 Agenda. The work being undertaken by SDSN Germany is supported by the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB).

The German Government is also continuing its work on developing the concept of an **SDG knowledge platform** to support the implementation of the 2030 Agenda and is involving civil society in this process. Drawing on independent scientific expertise, the platform will identify synergies and conflicts of interest between the various SDGs, enhance understanding of the transition process and develop substantive and procedural recommendations for policy-makers and society at large.

### 3. PARTNERSHIP WITH THE PRIVATE SECTOR

The 2030 Agenda cannot be implemented from public funds alone, but requires the **mobilisation of private resources**. The Agenda calls for businesses around the world to apply their **creativity and innovation** to solving sustainable development challenges. In addition to investment, the private sector can make a contribution through job creation, knowledge sharing, technology transfer and compliance with social, labour and environmental standards all along the supply chain. This means that the private sector's relevance and responsibility go far beyond its role as a driver of growth.

German development policy aims to involve the private sector in the implementation of the 2030 Agenda by promoting local entrepreneurship in developing countries as the basis for a self-sustaining and competitive economy. Partner countries are given support in establishing political, legal and administrative frameworks that are conducive to private investment. In addition to the classic public-private partnerships (PPPs), bilateral cooperation with the private sector is increasingly being conducted via integrated development partnerships. Promoting private investment, e.g. in new pharmaceuticals or climate technologies, is one of the strategic goals of development policy.

#### 4. PARTNERSHIPS AT THE MUNICIPAL LEVEL

Many global challenges require action by the cities, municipalities and rural districts. In many instances, the local level can make a direct contribution to solving global challenges. Community-level development cooperation is therefore a key focus of international efforts to promote justice and prosperity.

The collaboration with local authorities and new targeted programmes can help to raise German municipalities' awareness of, and encourage them to engage with, development issues. The aim is to have integrated 1,000 German municipalities in the BMZ's programmes by the end of the current legislative term.

Cooperation with the German municipalities on implementation of the 2030 Agenda is based on three pillars:

4. *The German Communities for One World*
5. *Partner municipalities in countries engaged in development cooperation with Germany*
6. *Local authority expertise in international negotiations*

The German Government supports German municipalities in various ways: for example, with sustainable urban development projects, by promoting cooperation with migrants and refugees, and with joint initiatives on sustainable public procurement and fair trade, such as the Competence Centre for Sustainable Procurement.

In partner countries, too, municipalities receive advice on a range of issues, including implementation of the 2030 Agenda. For example, the BMZ supports cities and municipalities in the MENA region which are hosting Syrian refugees by facilitating knowledge sharing by German municipalities.

Through its development policy, Germany is also working to ensure that municipal interests are considered in international negotiating processes such as Habitat III. It is important that municipalities are recognised as stakeholders in their own right, with the capacity to make their own independent contribution to the attainment of the 2030 Agenda goals.



## THE INTERNATIONAL LEVEL

### 5. COOPERATION IN THE EU



The **Cotonou Agreement** is a treaty between the European Union and the African, Caribbean and Pacific (ACP) Group of States. It regulates the EU's special relations (particularly trade preferences) with these countries.

Collectively, the EU and its member states are the world's largest donor, as well as being the world's largest economy. Attainment of the goals set out in the 2030 Agenda is therefore highly dependent on the EU and its member states mounting a consistent and effective response to global challenges. To that end, there needs to be a radical rethink not only of individual policy instruments but of the EU's understanding of its role as a development actor.

With active backing from the German Government, the 2030 Agenda features prominently in the **European Union's new Global Strategy on Foreign and Security Policy (EUGS)**. In a Communication adopted in November 2016, the European Commission presented proposals on implementing the 2030 Agenda across all EU policy areas, both internal and external. The German Government is working to ensure that new relevant EU strategy documents are aligned to the 2030 Agenda so that it serves as a roadmap for all EU policy areas. In the German Government's view, a **new EU Sustainable Development Strategy** has a key role to play here. Like the German State Secretaries' Committee for Sustainable Development, the EU's Directorates-General should in future consult each other regularly on how they can ensure **policy coherence for sustainable development**.

In the current refocusing of EU development policy in light of the 2030 Agenda, the German Government advocates for the following:

#### A) REFOCUSING THE EU'S RELATIONS WITH PARTNER COUNTRIES

The **Cotonou Agreement**, concluded by the EU with 77 countries in Africa, the Caribbean and the Pacific (ACP) in 2000, will expire in 2020. This offers the opportunity to review the EU's direct cooperation with this major group and, indeed, with all the other developing countries. After 2020, cooperation must continue to be based on shared values such as human rights and democracy, but should be aligned more closely to each partner country's development progress and needs. For the German Government, **strengthening EU cooperation with the African countries** is a particular priority.

#### B) MORE SUSTAINABLE DEVELOPMENT POLICY WITHIN THE EU

As the world's largest economy, the European Union can promote sustainable development worldwide, beyond its own borders, in a multitude of policy fields: through its economic and trade policy, environmental policy, security policy, and neighbourhood policy. Coherence between trade and development policy is defined as a guiding principle in Trade for All, the new trade and investment strategy for the European Union. Value-based, development-oriented foreign and trade policies ultimately benefit not only the partner countries but also the EU itself by safeguarding stable markets for the long term.

#### C) The EU'S ECONOMIC PARTNERSHIP

**AGREEMENTS (EPAS)** are a specific type of free trade agreement which link trade with development. They ensure WTO compatibility in the EU's trade relations with the ACP countries but also make sustainable development a priority. Germany is working to ensure that development policy supports implementation of the EPAs, in order to assist partner countries in utilising the opportunities afforded by the EPAs and thus stimulate sustainable development in these countries. Engaging at EU level to ensure that all the EU's trade and investment agreements with





developing and third countries are conducive to development in light of the 2030 Agenda is a priority for Germany.

#### D) IMPROVING COORDINATION AMONG THE EU MEMBER STATES AND WITH THE EU INSTITUTIONS

Within the European Union, member states coordinate their development policies with each other and with the EU institutions. Rather than 28 donors with their own strategies, there should be a common **vision for development policy**, based on complementarity in the policies and operations of the EU institutions and member states in this field. This is the aim of the **European Consensus on Development**.

With a view to facilitating an appropriate and effective response to current crises, Germany, through its foreign and development policy, is working for better coordination between the Directorates-General responsible for humanitarian aid, refugees and global development challenges in future. Furthermore, the **Directorate-General for International Cooperation and Development should take a lead role** in supporting the implementation of the 2030 Agenda in and with emerging economies and should be properly resourced. In order to improve its operational capabilities, the EU should support better networking among civilian aid workers from the member states, thus facilitating a timely and effective response to humanitarian crises.

**E) REFORMING THE FUNDING MECHANISMS FOR EU DEVELOPMENT COOPERATION**  
**EU funding for development cooperation amounts to almost EUR 82 billion for the period 2014–2020 and comes from two sources: the general EU budget and the European Development Fund (EDF).** As part of the refocusing of EU development policy, these funding mechanisms will need to be reviewed to determine whether they are fit for purpose in relation to implementation of the 2030 Agenda. The integration of the **European Development Fund (EDF)** – which is currently managed outside the framework of the EU’s general budget – into the EU budget from 2020 should be considered, in Germany’s view. This means rethinking the relationship between country programming and thematic budget lines in light of the 2030 Agenda and creating a range of options for cooperation based on partner countries’ needs.



↑ *The third EU-Africa Summit in Tripoli, Libya*

The EU funding mechanisms should also include a **larger financial reserve for emergencies** in order to facilitate a faster crisis response.

The **EU External Investment Plan (EIP)** should also be mentioned. The EIP was initiated by the **European Council in June 2016** as part of the European Agenda on Migration and is currently passing through the EU’s legislative procedure. Based on a EUR 3.35 billion budget, the EIP – according to the Commission’s proposals – is expected to mobilise total investment of up to EUR 44 billion by 2020 through blending with private capital. In the Council’s view, the EIP should support projects which contribute to sustainable development, for example through implementation of the 2030 Agenda and the Agenda on Migration. This includes addressing the root causes of migration and supporting the reintegration of returning migrants in their countries of origin by mobilising private and public investment, mainly in Africa but also in the EU Neighbourhood. An innovative element of the EIP is a scheme whereby EUR 1.5 billion of risk cover for loans and guarantees would be backed by a guarantee fund provisioned with EUR 750 million from the EU budget and the European Development Fund in order to promote investment, especially in weak states.

## 6. COOPERATION IN INTERNATIONAL FORUMS AND INSTITUTIONS

In order to strengthen its strategic multilateral engagement for the implementation of the 2030 Agenda, the German Government intends to increase its financial contributions to selected multilateral organisations on a systematic basis, with a stronger focus on flexibility and task orientation. In addition, through its development policy, it plans to make effective conceptual contributions to the reform agenda and policy development via multilateral organisations. With smart human resources policy, Germany will strengthen its presence in those international organisations which are of particular relevance to global sustainable development. The ambitious goals defined in the 2030 Agenda and the Paris Agreement can only be achieved if effective and targeted use is made of multilateral mechanisms such as the Green Climate Fund (GCF).

### A) MULTILATERAL DEVELOPMENT BANKS

The 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda for the financing of sustainable development and the Paris Agreement require the multilateral development banks to gear their **strategies towards sustainability** and to back them up with appropriate financial resources.

The World Bank and the regional development banks have the knowledge, capital and authority needed to support countries' efforts to achieve sustainable growth. All the multilateral development banks have announced plans to significantly increase their climate financing. The World Bank has pledged to increase climate-related funding from the current USD 11.8 billion to USD 16 billion, the Asian Development Bank (ADB) and the Inter-American Development Bank (IDB) are to double their annual climate financing, and the African Development Bank (AfDB) is even planning a threefold increase. It is essential to capitalise on this trend by advancing the strategic partnerships with the development banks and creating coherence between bilateral and multilateral priorities. However, the requisite resources cannot be obtained from public funds alone, so it is particularly important for the World Bank Group – working closely with other regional, bilateral and national development banks – to mobilise more **private capital for development**, especially for environmentally, socially and fiscally responsible investment in infrastructure.

With the aim of generating impetus in this direction, at the 2016 Annual Meeting of the ADB Board of Governors in Frankfurt, the BMZ and the Asian Development Bank agreed to launch the **Asia Climate Finance Facility (ACLiFF)**. ACLiFF will start with at least USD 100 million in capital with the intention of mobilising up to USD 500 million in total investment. ACLiFF is thus an example of how it is possible to leverage a large amount of investment with a relatively small amount of capital.

There is a substantial need for investment in infrastructure as well. Overall infrastructure investment needs in Asia alone are estimated at tens of trillions of dollars. Electricity, roads, railways, water and sanitation need to be expanded to guarantee future sustainable economic growth and reduce poverty in these regions. With the adoption of the **Joint Declaration of Aspirations on Actions to Support Infrastructure Investment** in the G7/G20 context, a further step has been taken to mobilise the funds needed to improve the quality of infrastructure.

With the approval of the **new Environmental and Social Framework (ESF)** in August 2016, the **World Bank Group** has already provided an important roadmap for strengthening the sustainable development agenda in its own business policy. Within the framework of **Forward Look**, launched in 2016 to provide a new strategic direction for the World Bank, the German Government is advocating for the World Bank Group to mainstream the goals of the 2030 Agenda in its country programmes, but also to address these goals on a broader scale as an overarching task.

The ability to provide funding at short notice to facilitate a rapid and flexible response to crises such as the wars in the MENA region, environmental and natural disasters and epidemics must be significantly improved. In an emergency, such a **crisis response mechanism** should be open to all countries, from the poorest to middle-income countries and emerging economies, regardless of whether the emergency was caused by armed conflict, a natural disaster or climate change. In addition to effective crisis response, there is a need to increase prevention efforts through comprehensive disaster risk management.

The World Bank Group should, in addition, **further increase its engagement in fragile regions** and tackle the root causes of displacement in a targeted manner. Long-term employment opportunities and prospects for the future must be created, especially for young people. Support should also be provided for host countries.

#### B) REFORM OF THE UN DEVELOPMENT SYSTEM

Due to its legitimacy and its lead role in the setting of norms and standards and in crisis management, the United Nations is indispensable for a global sustainable development pathway. To ensure that the UN's development system is equal to the demands of the 2030 Agenda, its **efficiency** must be enhanced, with a **stronger focus on results**. Synergies should be created and its comparative advantages utilised more effectively. The German Government's engagement for a reform of the development system dovetails with efforts to improve cooperation across the security, human rights and development pillars.

With its 31 organisations and agencies, the UN development system is currently too fragmented. A reform should aim to increase management efficiency and effectiveness without eliminating subsidiarity from the UN development system entirely. It is important to create structures which ensure efficient and impartial coordination at the global level, independently of individual UN organisations. The coordination of UN activities at country level should also be improved.

In order to place the UN development system on a better financial footing while guaranteeing



↑ Flags flying outside the United Nations building in New York City, USA

the transparency of resource use, its **funding mechanisms** should be reformed, based, for example, on cross-programme and cross-agency collaboration.

Planning for results, management efficiency and uniform, system-wide mandatory impact monitoring and reporting are also important for an efficient UN development system. Harmonisation of business and procurement practices at the level of the central supervisory and management units also has an important role to play. Quality standards for multi-stakeholder partnerships involving governments, development organisations, civil society and the private sector should also be defined and actively promoted.

## 7. COOPERATION WITH GLOBAL DEVELOPMENT PARTNERS

In its development cooperation with larger emerging economies, the BMZ focuses on a core group of countries which it calls Global Development Partners. At present, the group comprises **Brazil, China, India, Indonesia, Mexico and South Africa**. These countries stand out for their willingness to play a part in shaping policy, are highly relevant to the implementation of the 2030 Agenda and are of global economic significance. The transition to a sustainable world depends to a large extent on the progress achieved by these countries.

It is important, therefore, to make greater use of the **opportunities for cooperation** with these countries. That means respecting them as partners with their own interests, without renouncing our own core values, while also encouraging them to take on more global responsibility. Germany's cooperation with the Global Development Partners will therefore focus on the following:

#### A) EXPANDING THE OFFER OF SPECIFIC GERMAN KNOW-HOW

Global Development Partners are generally in a significantly better financial and technological position and have more know-how and human resource capacities than other partner countries. They are often in a position to procure advisory services and technical solutions in the marketplace. However, there is **high demand for specific German experience and technical know-how in many areas of social and economic policy**. In order to retain its relevance as a partner, Germany must fully utilise its scope as a “Land of Ideas” and must continue to offer appropriate advisory services and formats for cooperation, with a particular focus on energy system transformation (Energiewende) and resource conservation, urbanisation, social security, small and medium-sized enterprises (SMEs) and vocational training.

#### B) INCENTIVISING AND DEMANDING ENGAGEMENT FOR GLOBAL PUBLIC GOODS THROUGH NEGOTIATIONS AND ACTION

The economic and political ascendancy of the Global Development Partners makes them increasingly relevant to the safeguarding and provision of regional and global public goods. In order to fulfil their role as global partners for sustainable development, they must in future assume greater responsibility for global welfare. The increased **deployment of environmental officers in German embassies**, as is already happening in Brazil, China, India and Viet Nam, aims to intensify and make permanent the dialogue on climate and environmental issues.

Alongside the Global Development Partners, **new donors** such as South Korea and the United Arab Emirates are now making important contributions to the attainment of the Sustainable Development Goals. The German Government will expand its cooperation with new donors in fulfilment of the shared responsibility for finding solutions to global challenges and successfully implementing the 2030 Agenda.

#### C) INTENSIFYING KNOWLEDGE SHARING

Many emerging economies are seeking to strengthen and expand their educational and scientific institutions and have knowledge and policies that are of interest to Germany. It is not only the science and research community which benefits from more intensive cooperation with universities and think tanks. The development

of shared views and policy recommendations also helps to promote greater understanding at bilateral level and in multilateral institutions and processes. This knowledge particularly benefits other developing countries and emerging economies that are seeking to expand their scientific and technological capacities. Germany supports knowledge transfer through its promotion of South-South cooperation. **Triangular cooperation arrangements**, in which another less developed third country is involved in the cooperation, also offer new opportunities for shared learning.

#### D) CREATING A COMMON BASIS OF VALUES, PURSUING SHARED INTERESTS

In our cooperation with the emerging global players, it is important to be mindful of our own values and address abuses in partner countries. However, a **partnership of equals** also requires transparency in relation to our own interests, as well as a willingness to listen to partners' criticism and concerns. Without this open and honest dialogue, efforts to shape the future through joint action and reconciliation of diverse interests, and hence the attainment of the 2030 Agenda goals, cannot succeed. The German Government is therefore working to intensify and consolidate interministerial consultations and dialogue on human rights issues and global public goods. Dialogue on these issues will be conducted more intensively in international organisations and forums as well.







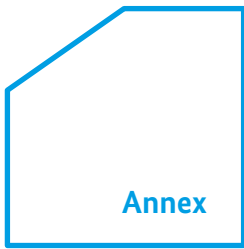


*Annex*



*Acronyms*

*Sources*



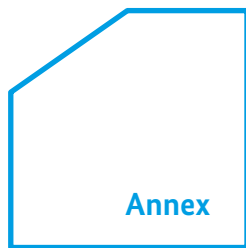
## ACRONYMS

<b>A</b>	AAAA	Addis Ababa Action Agenda
	ACLIFF	Asia Climate Finance Facility
	ACP states	African, Caribbean and the Pacific Group of States
	ADB	Asian Development Bank
	AfDB	African Development Bank
	AREI	African Renewable Energy Initiative
	AU	African Union
<b>B</b>	BEPS	Base Erosion and Profit Shifting
	BGR	Federal Institute for Geosciences and Natural Resources
	BMBF	German Federal Ministry of Education and Research
	BMEL	German Federal Ministry of Food and Agriculture
	BMI	German Federal Ministry of the Interior
	BMUB	German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety
	BMZ	German Federal Ministry for Economic Cooperation and Development
<b>C</b>	CBD	Convention on Biological Diversity
	CFC	Chlorofluorocarbon
	CIM	Centre for International Migration and Development
	CPS	Civil Peace Service
	CRVS	Civil Registration and Vital Statistics
<b>D</b>	DDAGTF	Doha Development Agenda Global Trust Fund
	DDT	Dichlorodiphenyltrichloroethane
	DEG	German Investment and Development Company (Deutsche Investitions- und Entwicklungsgesellschaft)
	DEval	German Institute for Development Evaluation
	DIE	German Development Institute
<b>E</b>	EDF	European Development Fund



EIP	External Investment Plan	
EPA	Economic Partnership Agreement	
ESF	Environmental and Social Framework	
ETS	European Union Emissions Trading System	
EU	European Union	
EUGS	European Union's new Global Strategy on Foreign and Security Policy	
FTT	Financial Transaction Tax	F
G7	Group of Seven	G
G8	Group of Eight	
G20	Group of Twenty	
GDP	Gross Domestic Product	
GHG	Green House Gas	
GIZ	Gesellschaft für Internationale Zusammenarbeit GmbH	
GNI	Gross National Income	
GPFI	Global Partnership for Financial Inclusion	
GSP+	Generalised Scheme of Preferences	
HIC	High-Income Country	H
HIV	Human Immunodeficiency Virus	
HLPF	High-Level Political Forum	
ICT	Information and Communication Technology	I
IDB	Inter-American Development Bank	
IMF	International Monetary Fund	
INDCs	Intended Nationally Determined Contributions	
KfW	KfW Development Bank (Kreditanstalt für Wiederaufbau)	K
LDCs	Least Developed Countries	L
LIC	Low-Income Country	
MAP	Multi-Stakeholder Partnerships	M
MDGs	Millennium Development Goals	
MENA	Middle East and North Africa	
MICs	Middle-Income Countries	
MiFID II	Markets in Financial Instruments Directive II	
MIPAA	Madrid International Plan of Action and Ageing	
NAP	National Adaptation Plan	N
NATO	North Atlantic Treaty Organization	
NAP 2.0	National Action Plan for the Implementation of the UN Convention on the Rights of Persons with Disabilities	
NDCs	Nationally Determined Contributions	

	NGOs	<b>N</b> on- <b>G</b> overnmental <b>O</b> rganisations
<b>O</b>	ODA	<b>O</b> fficial <b>D</b> evelopment <b>A</b> ssistance
	OECD	<b>O</b> rganisation for <b>E</b> conomic <b>C</b> o-Operation and <b>D</b> evelopment
	OSCE	<b>O</b> rganisation for <b>S</b> ecurity and <b>C</b> o-Operation in <b>E</b> urope
<b>P</b>	PFCs	<b>P</b> erfluorinated <b>C</b> ompounds
	PPP	<b>P</b> ublic- <b>P</b> rivate <b>P</b> artnership
	ProgRes	German <b>R</b> esource Efficiency <b>P</b> rogramme
	PTB	National Metrology Institute of Germany
<b>R</b>	REDD+	<b>R</b> educing <b>E</b> missions from <b>D</b> eforestation and Forest <b>D</b> egradation
	RIS	<b>R</b> egional <b>I</b> mplementation <b>S</b> trategy
<b>S</b>	SDGs	<b>S</b> ustainable <b>D</b> evelopment <b>G</b> oals
	SDSN	<b>S</b> ustainable <b>D</b> evelopment <b>S</b> olutions <b>N</b> etwork
	SIA	<b>S</b> ustainability <b>I</b> mpact <b>A</b> ssessment
	SMEs	<b>S</b> mall and <b>M</b> edium-sized <b>E</b> nterprises
<b>T</b>	TFA	<b>T</b> rade <b>F</b> acilitation <b>A</b> greement
	TRIPS	Agreement on <b>T</b> rade- <b>R</b> elated Aspects of <b>I</b> ntellectual <b>P</b> roperty <b>R</b> ights
<b>U</b>	UN	<b>U</b> nited <b>N</b> ations
	UNCCD	<b>U</b> nited <b>N</b> ations <b>C</b> onvention to <b>C</b> ombat <b>D</b> esertification
	UNCED	<b>U</b> nited <b>N</b> ations <b>C</b> onference on <b>E</b> nvironment and <b>D</b> evelopment
	UNICEF	<b>U</b> nited <b>N</b> ations ( <b>I</b> nternational) <b>C</b> hildren's ( <b>E</b> mergency) <b>F</b> und
<b>V</b>	VGGT	<b>V</b> oluntary <b>G</b> uidelines on the Responsible <b>G</b> overnance of <b>T</b> enure of Land
<b>W</b>	WBGU	German Advisory Council on Global Change
	WTO	<b>W</b> orld <b>T</b> rade <b>O</b> rganization



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